



Tennessee Department  
of Financial Institutions

# Annual Report

2002 - 2003





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# From the Commissioner's Desk



Dear Governor Bredeesen and the Citizens of Tennessee:

I am pleased to present to Governor Phil Bredeesen and the people of the Great State of Tennessee this 29th Annual Report of the Department of Financial Institutions for the period of 2002-2003.

Tennessee Code Annotated Section 45-1-119 requires that I report certain information annually within 60 days after the end of each calendar year. I report to you that no rule has been adopted or modified since the last report issued by the Department. Also, I am happy to report to you that the Department does not have any banking organization in its possession during this period.

Tennessee's financial institutions remain fiscally strong and are capably positioned to meet the expanding and complex financial needs of our citizens. Specifically, our institutions are well-capitalized, profitable and innovative in their products and services while adhering to the regulatory requirements of this Department. Although we continue to see consolidation and a reduction in the total number of depository institutions, total net assets continue to increase and the complexity and breadth of operations continues to grow.

The attached Report provides a comprehensive overview of the Department, including information on each operating division and specific information on the industries which we regulate. Also included is a summary of bank corporate changes, occurring since the last Report. Statements of Condition for each state bank may be accessed online.

The Department is focused on becoming a proactive agency in working with all of our constituents: the Governor's office, citizens of Tennessee, members of the General Assembly, other regulators, and all entities that we license/charter. Beyond our day-to-day regulatory activities, our global focus has been in the following areas:

## Economic Development/Partnership

While the Department will always remain focused on our charge of examining for compliance, safety and soundness, we recognize the partnership which we share with regulated entities. As financial services/products become more complex, it is imperative that this Department work with our financial institutions to ensure accurate communication of timeframes and regulatory guidelines. The economic development of our State is obviously fueled by financial institutions; therefore, we are obligated to remain responsive and cooperative with those entities, while maintaining the charge of regulation.

## Charter Conversions

The dual banking system has served our state and country well for many years. While I continue to endorse that system, I am proud and confident that Tennessee is able to offer the "Charter of Choice." To that end, I continue to encourage bank boards and management teams to convert to a state charter. Considering the impact that banks have on economic development, the state benefits directly by having these entities under the Department's supervision. Further, the banks benefit by having a state charter due to greater regulator accessibility, responsiveness, lower fees, and regional economic knowledge possessed by our local examiners.

## Consumer Education

In an effort to reduce the impact of predatory lending practices, the Department has created a new Division, Consumer Resources. This Division serves as a conduit with industry and advocacy groups to create and disseminate effective financial literacy programs across the state. In working with these groups and the Department of Education, the Department is exploring various avenues for informing our citizens of their financial rights and increasing the effectiveness of existing literacy programs. This Division is also charged with tracking

and resolving consumer complaints from across the state. That data will be helpful for targeting regional areas in need of regulatory and/or literacy focus.

The outlook for the health of Tennessee's financial institutions in 2004 remains positive. Likewise, the Department's activities will continue to play a vital role in ensuring the public of the safety and soundness of our regulated entities. We will continue to provide these services without burdening the taxpayers or General Fund as this Department remains completely self-funded from collected fees. The Department's legislative recommendation for 2004 will be focused on reducing predatory lending activities by providing more examiners and an increased number of exams while also providing better consumer protection on residential mortgage transactions.

We are extremely proud of the efforts of our employees and welcome your continued support of our plans for personnel growth and development. The entire Department looks forward to the continued challenge of monitoring and regulating the financial institutions in Tennessee. We are also proud that we are able to issue the "Charter of Choice" and we remain committed to protecting all citizens while assisting our financial institutions in achieving their goals. You can be proud that Tennessee remains a premier state for banking and financial services companies.

I hope that you enjoy and find useful this 2002-2003 Annual Report. This report is available to the public and available on our web site: [www.tennessee.gov/financialinst](http://www.tennessee.gov/financialinst).

Sincerely,

A handwritten signature in black ink, reading "Kevin P. Lavender".

Kevin P. Lavender

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# Agency Overview

## Mission Statement

The primary mission of the Department Of Financial Institutions is to provide the citizens of Tennessee with a sound system of state-chartered financial institutions by:

- *providing for and encouraging the development of depository financial institutions while restricting their activities to the extent necessary to safeguard the interest of depositors; and*
- *seeking to ensure compliance by both depository and non-depository financial institutions with governing laws and regulations.*

The Department is further committed to the provision of quality constituent services to the institutions it examines, supervises and regulates; the citizens of the State of Tennessee; members of the Tennessee General Assembly and of Congress; the Office of the Governor and other agencies of the state and federal governments; other state and federal financial institutions' regulatory agencies; and to the provision of quality management of its personnel and fiscal resources.

## Vision Statement

We seek to sustain an environment in the Great State of Tennessee which fosters a feeling of confidence and security among its citizens in regard to their choice of financial institutions. We advocate the continuance of the dual chartering system which allows us to provide a financial regulatory structure which more efficiently meets the needs and economic welfare of the residents of our state. The management of the Department strives to foster a sense of job satisfaction and ample career path opportunities to assure we are adequately staffed with well qualified, experienced, and long-tenured employees. As a strong team, we can be more diligent, efficient, effective, responsive, and innovative in administering our duties. We continuously strive to make the Tennessee state charter the Charter of Choice and the Department of Financial Institutions the preferred financial services regulatory agency in the State of Tennessee.

**Headquarters Personnel – Nashville**  
**(Staffing Reflected As Of 12/31/03)**

### Commissioner's Office

**Kevin P. Lavender**, Commissioner

**Nicole Lacey**, Communications Officer  
**Bradley Jackson**, Administrative Services Assistant/Legislative Liaison  
**Kayce Cawthon Stoker**, Executive Administrative Assistant  
**Diane Speyerer**, CPS, Administrative Secretary

### Administrative & Legal Division

**Greg Gonzales**, General Counsel/Assistant Commissioner  
**Tina Miller**, Attorney  
**Marsha Anderson**, Attorney  
**William Hofstetter**, Attorney  
**Tracey Boyers**, Attorney  
**Paula Cagle**, Legal Assistant  
**Tommie Pendergrass**, Fiscal Officer  
**Debbie Curry**, Personnel Analyst & Training  
**Douglas Lapka**, Accountant  
**Barbara Jones**, Admin. Services Assistant  
**William Wooten**, CISA, CDRP, CSP, Information Systems Director  
**Patti Miller**, Programmer Analyst  
**Tim Jones**, Information Systems Consultant  
**Mary Wilhite**, CNA, Information Resource Specialist

### Credit Union Division

**Paul Foster**, CSCUES, Acting Assistant Commissioner  
**DeLynn Hancock**, Administrative Services Assistant

### Bank Division

**Jim Douthit**, Assistant Commissioner  
**Melody Johnson**, Administrative Assistant Applications  
**Curtis Faulkner**, Program Administrator  
**Debra Grissom**, Administrative Services Assistant

### Bank Examinations & Financial Analysis

**Tod Trulove**, Chief Administrator  
**Hope Givens**, Administrative Services Assistant  
**Storm Miller**, Financial Analyst  
**Joyce Simmons**, CPA, Financial Analyst  
**Justin McClinton**, Financial Analyst

### Trust Examinations

**Vivian Lamb**, CEM, Program Administrator

### Compliance Division

**Jean Rosalez**, Executive Secretary

### Applications

**Carl Scott**, CFSA, Director  
**Paula Miller**, Administrator Services Assistant

**Check Cashing/Deferred Presentment**  
**Steven Henley**, CPA, Director

### Examinations

**Nita Taylor**, Director  
**Lisa Gregg**, Administrative Secretary

### Examination Personnel (As Of 12/31/03)

#### Bank Division Examiners

**West Tennessee District**  
**59 Banks - \$8.3 Billion in Assets**

**Shirley Sanderson**, CEM- Manager  
**Phil Stafford**- Off-Site Monitoring Supervisor  
**Bruce Allen**, CEIC, CFE, IV- Trust Examinations Specialist  
**Terry Warren**, CEIC, Supervisor  
**Danny Nolen**, CEM, Supervisor  
**Vicki Ivey**, CEIC, IV  
**Jerry Davis**, CEIC, IV  
**Dana Owen**, CEIC, Certified Fraud Exam., IV  
**Laurie Durham**, CEIC, IV  
**Robert Prather**, CEIC, IV  
**Timothy Runions**, CEIC, IV  
**Robert Shannon**, CEIC, IV  
**Thomas Windle**, I  
**Roxanne Taylor**, CEIC, IV

**Middle Tennessee District**  
**54 Banks - \$8.2 Billion in Assets**

**Todd Rice**, CEM- Manager  
**Joe Boaz**, CEM- Off-Site Monitoring Supervisor  
**Mike Sisk**, CEIC, IV- Trust Examination Specialist  
**John Hudson**, CEIC, Supervisor  
**Dennis Shipp**, CFE, CEM  
**Sam Short**, I  
**Sherri Cassetty**, CEIC, IV  
**David Tate**, II  
**Jeremy Sullivan**, I  
**Justin Cary**, I  
**Clyde McClaren**, IV  
**Mark Richardson**, I

# Agency Overview

## **East Tennessee District 46 Banks - \$8.6 Billion in Assets**

**Kenneth Kelley**, CEM- Manager  
**Louella McElroy**, CEM - Off-site Monitoring Supervisor  
**Wade McCullough**, CEIC, CFE, IV - Trust Examinations Specialist

**Chester Justice, Jr.**, CEM, Supervisor  
**Claude Huff, Jr.**, CEM, CFE,  
**Robin Tindell**, CEIC, IV, Supervisor  
**Jason Wilkinson**, CEIC, IV  
**Jonathan Piper**, CEIC, IV  
**Traci Todd**, II  
**Teresa Weaver**, CFE, CEIC, IV  
**Gretchen Richardson**, I  
**Nathan Hill**, I

## **Examination Personnel (As Of 12/31/03)**

## **Credit Union Examiners 1 Corporate Credit Union - \$1.3 Billion in Assets**

**Greg Perry**, CFE, CSCUE, Large Institutions Examiner

## **West/Middle Tennessee District 72 Credit Unions - \$2.7 Billion in Assets**

**Randall Means**, V, CSUES, Supervisor  
**Alan Gober**, CFE, CEIC, CSCUE, IV  
**Steve Eddings**, CFE, CEIC, CSCUE, IV  
**Tom Harper**, CSCUE, IV  
**Rosalyn Miller**, I

## **East Tennessee District 60 Credit Unions - \$2.7 Billion in Assets**

**John Shires**, V, CSUES, Supervisor  
**Bill Cave**, CEIC, CFE, IV  
**Shane Hardin**, CFE, CSCUE, IV  
**Lance Hogelin**, CSCUE, IV  
**Dwight Ward**, II

## **Compliance Division Examiners**

### **West**

**David Reynolds**, CFSA, IV  
**Patrick Ryan**, CFSA, III  
**Marilyn Schroepel**, III  
**Nicole Chamblee**, II

### **Middle**

**Bart Daughdrill**, II  
**Robert Campbell**, III  
**Robert Doyle**, III  
**Gene Smith**, CFSA, III  
**Cathy Wilkerson**, II  
**Steve West**, II

### **East**

**Chris Adams**, CFSA, CFE III  
**Frank Barnes**, CFSA, III  
**Brian Williams**, III  
**Dennis Woodmore**, CFSA, III

## **Key to Staff Title Designations: Roman Numerals Denote Field Examiner Level**

**AFE**-Accredited Financial Examiner  
**CDRP**-Certified Disaster Recovery Planner

**CEIC**-Certified Examiner-in-Charge

**CEM**-Certified Examinations Manager

**CFE**- Certified Financial Examiner

**CFSA**-Certified Financial Services Auditor

**CISA**- Certified Information Systems Auditor

**CNA**-Certified Network Administrator

**CPA**-Certified Public Accountant

**CPS**-Certified Professional Secretary

**CSP**- Certified Systems Professional

**CNA**-Certified Novell Administrator

**CSCUE**-Certified State Credit Union Examiner

**CSCUES**- Certified State Credit Union Examiner Supervisor

# Agency Overview

## Total Number Of State - Chartered Institutions And Licensees/Registrants

	June 30, 2003	December 31, 2002
<b>Charters</b>		
Commercial Banks/Savings Banks		159 165
Trust Companies	10	11
BIDCOs	2	2
Credit Unions	132	136
<b>Total Number of Charters</b>	<b>314</b>	<b>317</b>
<b>Licensees/Registrants</b>		
Industrial Loan and Thrift Companies	726	762
Insurance Premium Finance Companies	59	66
Mortgage Companies	1,219	1,138
Money Transmitters	39	38
Deferred Presentment	1,186	1,127
Check Cashers	352	311
<b>Total Number of Licensees/Registrants</b>	<b>3,581</b>	<b>3,442</b>



# Administrative & Legal Division

## Administrative Section

The **Administrative Section** administers the Department's budget and oversees communications, fiscal services, human resources, training and development, and information systems. The Department receives no federal money or state taxpayer money and is fully funded with its revenue derived by fees from the financial entities regulated and supervised by the Department.

At the end of Fiscal Year 2002, the Department had a surplus of \$1,121,291.49. A rebate of \$672,789.18 was made to the banks in accordance with T.C.A. Section 45-1-118(d)(2) and \$448,502.31 reverted to the State's General Fund. At the end of Fiscal Year 2003, the Department had a surplus of \$1,290,839.10. A rebate of \$384,772.15 was made to the banks and \$906,066.95 reverted to the State's General Fund.

Departmental turnover was seven percent for Fiscal Year 2002 of which two percent represented field examiner turnover. Departmental turnover was 16 percent for Fiscal Year 2003 of which eight percent represented field examiner turnover. The average tenure of the Department's field examining force as of June 30, 2003 is 13 years for bank examiners, 14.5 years for Credit Union examiners and 8.2 years for Compliance examiners. The Department continues to work with both the Department of Personnel and the Department of Finance and Administration to develop an improved career path with salary progression for examiners.

Because computers are essential to efficiently and effectively perform examinations of banks, credit unions, and financial services companies, we strive to maintain the latest in computer technology. The Department follows a regular equipment replacement schedule to provide staff with the tools needed to fulfill the Department's mission. During Fiscal Year 2002, we upgraded all the bank examiners' laptop computers. During Fiscal Year 2003, we upgraded all the Compliance Division examiners' laptop computers. Also in Fiscal Year 2003, we upgraded all the Department's computers to Microsoft Office Professional XP software.

Training is another integral part of developing and maintaining qualified examining staff. To ensure value, the department's training needs are annually assessed and budgeted. The majority of the structured training curriculum is acquired through external training sources such as the Federal Deposit Insurance Corporation, the National Credit Union Administration, the Board

of Governors of the Federal Reserve System, the Educational Foundation of the Conference of State Bank Supervisors, the National Association of State Credit Union Supervisors, the Federal Financial Institutions Examination Council, the National Association of Consumer Credit Administrators, the Money Transmitter Regulators Association, as well as other sources.

In Fiscal Year 2002, training was reduced substantially due to the state's budgetary problems. Personnel were able to attend 68 programs, of which five programs were held in the State of Tennessee. During Fiscal Year 2003, employees were able to attend 102 programs, of which 28 were held in the State of Tennessee.

The Department's mission is to provide the citizens of Tennessee with a sound system of state-chartered financial institutions. To ensure that this mission is met, the Department is committed to fully developing staff capabilities. Through the establishment and retention of an experienced regulatory staff, the Department can provide for a sound system of financial institutions while also creating an environment in which financial institutions can operate effectively and efficiently.

# Administrative & Legal Division (cont.)

## Expenditure And Funding Sources FY 2001 - 2002

### REVENUES

Appropriations-Bank Assessment Fee	\$ 5,308,795.00
Other Banking Fees	\$ 368,860.65
BIDCO's & Trust Company Fees	\$ 75,267.34
Credit Union Fees	\$ 1,505,851.13
Money Order Fees	\$ 86,194.00
Loan Company Fees	\$ 417,125.00
Insurance Premium Finance Company Fees	\$ 31,025.00
Mortgage Company Fees	\$ 569,400.00
Check Cashers Fees	\$ 259,450.00
Deferred Presentment Fees	\$ 768,400.00
Miscellaneous	\$ 3,569.89

**TOTAL REVENUES \$ 9,393,938.01**

### EXPENDITURES

Personal Services	\$ 4,903,178.05
Employee Benefits	\$ 1,194,794.01

**TOTAL PAYROLL \$ 6,097,972.06**

Travel	\$ 573,884.85
Printing, Duplicating and Film Processing	\$ 71,062.15
Utilities and Fuel	\$ 195.30
Communication & Shipping Costs	\$ 31,865.39
Maintenance, Repair & Services	\$ 3,380.29
Professional and Administrative Services	\$ 93,571.21
Supplies	\$ 245,057.95
Rentals & Insurance	\$ 561,974.67
Awards & Indemnities	\$ 839.47
Grants & Subsidies	\$ 23,768.50
Lost Discounts	\$ 10.48
Professional Services by Other Departments	\$ 302,409.20
General Government & Central Service Costs	\$ 266,655.00

**TOTAL OPERATIONAL \$ 2,174,674.46**

**TOTAL EXPENDITURES \$ 8,272,646.52**

**EXCESS OF REVENUE OVER EXPENDITURES \$ 1,121,291.49**

Rebated to Banks	\$ 672,789.18
Reverted to the State's General Fund	\$ 448,502.31

## Expenditure And Funding Sources FY 2002 - 2003

### REVENUES

Appropriations-Bank Assessment Fee	\$ 5,475,923.00
Other Banking Fees	\$ 348,281.14
BIDCO's & Trust Company Fees	\$ 44,447.85
Credit Union Fees	\$ 1,616,248.32
Money Order Fees	\$ 123,444.00
Loan Company Fees	\$ 492,000.00
Insurance Premium Finance Company Fees	\$ 33,175.00
Mortgage Company Fees	\$ 684,150.00
Check Cashers Fees	\$ 257,850.00
Deferred Presentment Fees	\$ 844,000.00
Miscellaneous	\$ 846.24

**TOTAL REVENUES \$ 9,920,365.55**

### EXPENDITURES

Personal Services	\$ 4,959,455.17
Employee Benefits	\$ 1,354,527.29

**TOTAL PAYROLL \$ 6,313,982.46**

Travel	\$ 625,028.61
Printing, Duplicating and Film Processing	\$ 43,587.03
Utilities and Fuel	\$ 1,573.90
Communication & Shipping Costs	\$ 29,854.23
Maintenance, Repair & Services	\$ 1,375.32
Professional and Administrative Services	\$ 151,032.70
Supplies	\$ 196,820.03
Rentals & Insurance	\$ 637,825.74
Awards & Indemnities	\$ 5,734.73
Grants & Subsidies	\$ 47,513.75
Lost Discounts	\$ 11.22
Professional Services by Other Departments	\$ 350,038.73
General Government & Central Service Costs	\$ 225,148.00

**TOTAL OPERATIONAL \$ 2,315,543.99**

**TOTAL EXPENDITURES \$ 8,629,526.45**

**EXCESS OF REVENUE OVER EXPENDITURES \$ 1,290,839.10**

Rebated to Banks	\$ 384,772.15
Reverted to the State's General Fund	\$ 906,066.95

# Administrative & Legal Division (cont.)

## Legal Section

The **Legal** Section provides legal advice and representation for the Department. This Section consists of a General Counsel, three staff attorney positions, and a Legal Assistant.

The Department's lawyers advise the Commissioner and departmental personnel in all legal matters affecting the Department. They work with regulated entities and the general public in addressing legal issues. They also work closely with the Governor's Office and the Tennessee General Assembly on legislative issues affecting financial institutions. The Legal Section assists in the coordination of enforcement initiatives with other federal and state regulators as well as with various law enforcement agencies.

The Legal Section was heavily involved in the 2002 and 2003 legislative sessions by tracking numerous bills, working closely with the Governor's Office, the General Assembly, and other groups sponsoring legislation which impacted the Department. This Section provided assistance to operating divisions on issues involving predatory lending, bank and trust company operations including interstate transactions, bank and credit union applications, money transmission, check cashing, deferred presentment, mortgage companies, and credit union field of membership, as well as several other issues. The Legal Section is significantly involved in the day-to-day decision making process of the Department.

## Bills Impacting The Department

(2002 Legislative Session)

<b>Public Chapter</b>	<b>500</b>
<b>Amends</b>	<b>T.C.A. Sections 4-29-223(a) and 4-29-229(a)</b>
<b>Effective Date</b>	<b>July 1, 2002</b>

Public Chapter 500 extends the lifespan of the Tennessee Collateral Pool Board until June 30, 2008. Created in 1994, the Collateral Pool Board oversees the operation of the Collateral Pool, which aids local governments in the collateralization of public deposits. This board is composed of officers from four financial institutions, a member of the local government community, the State

Treasurer, and the Commissioner of financial institutions. Financial institutions must make application and meet certain performance criteria to be accepted. Performance is then monitored on a continuing basis and reviewed by the board.

Participation in the collateral pool currently is composed of a number of financial institutions across the state that pledge collateral to the state treasurer for the total public deposits they hold. The treasurer then monitors the total deposits as well as the total market value of the securities pledged as collateral. Participating institutions assume the risk of losses beyond the value of collateral and FDIC insurance.

<b>Public Chapter</b>	<b>656</b>
<b>Amends</b>	<b>T.C.A. Section 45-2-1014</b>
<b>Effective Date</b>	<b>April 24, 2002</b>

Public Chapter 656 amends T.C.A. Section 45-2-1014 to permit out-of-state trust institutions to engage in fiduciary related activities in Tennessee, including but not limited to, marketing, soliciting, and operating through a trust representative office under the following circumstances: (1) If the institution does not act as a fiduciary through a trust office or authorized branch office; and (2) Only to the extent that the institution's home state permits Tennessee trust institutions to engage in similar activities.

<b>Public Chapter</b>	<b>745</b>
<b>Amends</b>	<b>T.C.A. Title 47, Chapter 9</b>
<b>Effective Date</b>	<b>July 1, 2002</b>

Public Chapter 745 amends T.C.A. Section 47-9-616(b) with regard to secured transactions subject to foreclosure. The act extends from 14 to 30 days the time period in which a lender has to provide a post-sale accounting (calculation) showing a surplus or deficiency to a debtor. The act also increases the time period from 14 to 30 days for a lender to respond after receipt of a request from the debtor for calculations. Within this time frame, the secured party must send either an explanation or a waiver of claim to any deficiency.

The Act also clarifies that foreclosure of a security

interest after default is not classified as a debt collection. The act provides that the notification requirements of the act do not require or permit a secured party to send a notification that may violate the automatic stay under federal bankruptcy law.

<b>Public Chapter</b>	<b>849</b>
<b>Amends</b>	<b>T.C.A. Section 4-4-125; Section 10-7-504(a); Title 39, Chapter 13, Part 8 (new); Title 40, Chapter 17, Part 1 (new); and Section 40-35-313</b>
<b>Effective Date</b>	<b>July 4, 2002</b>

Public Chapter 849 creates a new act. This Act seeks to deter and punish acts of terrorism against the citizenry of the state of Tennessee. In particular, the purpose of the act is to prevent terrorist attacks and deter hoaxes and false bomb threats resulting from the threat of terrorism. The act creates new definitions for acts of terrorism and classifies new criminal offenses with corresponding penalties. Of note to financial institutions, the act sets out a procedure for law enforcement officers seeking subpoenas for the production of books, papers, records, documents, tangible things, or information and data electronically stored for the purpose of establishing, investigating or gathering evidence for the prosecution of a criminal offense. All such subpoenas served under this act must comply with the Tennessee Financial Records Privacy Act.

The Act specifies that anyone who unreasonably raises prices or restricts supplies of "essential" goods, commodities, or services in direct response to an act of terrorism, crime, or natural disaster (regardless of whether the crime, act of terrorism, war, or natural disaster occurred in the state of Tennessee) is subject to the penalties for unfair or deceptive acts under the Tennessee Consumer Protection Act.

The Act creates a new Class B felony offense of providing material support or resources to persons known to be planning or carrying out an act of terrorism or concealing or attempting to escape after committing or attempting to commit an act of terrorism. This provision does not apply to financial institutions that in the ordinary course of business provide any financial service, funds transfer, or securities transactions subject



# Administrative & Legal Division (cont.)

to the information sharing, suspicious activity reporting, or currency transaction reporting requirements of the federal Bank Secrecy Act or the federal U.S.A. Patriot Act. However, any financial institution that acts with the intent to assist, aid, or abet any person planning or carrying out an act of terrorism in this state or concealing or attempting to escape after committing or attempting to commit an act of terrorism would remain liable under the above offense.

**Public Chapter** 871  
**Effective Date** July 17, 2002

Public Chapter 871 created a special joint committee to analyze predatory home loan lending practices in Tennessee. The Act charged the committee to consider the following:

- Whether the sub-prime lending market which provides loans to many borrowers who have impaired credit performs a significant service to citizens of Tennessee, particularly those in distressed urban areas, and whether prospective legislation is warranted;
- Whether legislation and regulation affecting the sub-prime market should restrict those relatively few lenders who are engaged in patterns and practices of unfair treatment to vulnerable consumers commonly referred to as predatory lending; and,
- Whether the sub-prime markets should be subject to additional restrictions, prohibitions, remedies and penalties.

The committee must also explore the need for better protections to prevent abusive or predatory practices such as:

- Excessive interest rates unrelated to risk or excessive fees unrelated to services rendered;
- Making home loans without due regard to the borrower's ability to pay;
- "Flipping" or refinancing a home loan without significant tangible benefit to the borrower but including excessive fees;
- Mandatory single-premium credit life insurance; and,

- "Balloon" payments designed to force unfavorable refinancing or default; abuse of home improvement loans.

The Act provides that the special joint committee hold hearings, if practical, in the three Grand Divisions of the state to seek testimony from persons who have been harmed by predatory lending practices or who have direct knowledge about such practices and from those who have helped others or have been helped by sub-prime loans.

## Bills Impacting The Department (2003 Legislative Session)

**Public Chapter** 31  
**Amends** T.C.A. Title 39, Title 45, Title 47, Title 56 and Title 62

**Effective Date** April 17, 2003

Public Chapter 31 prohibits the unauthorized use of a financial institution's name and/or logo. Further, Public Chapter 31 amends several sections of the Tennessee code to make these unauthorized representations unfair and deceptive acts under those portions of the code regulating financial institutions, home improvement contractors, trademarks and the insurance industry.

**Public Chapter** 32  
**Amends** T.C.A. Title 45, Chapter 2  
**Effective Date** April 17, 2003

Public Chapter 32 essentially cleaned up several provisions of the Banking Act. It deleted two obsolete statutes. T.C.A. § 45-2-617 dealt with the prohibition on charging a fee to cash an "on-us" check. This provision was deleted because a 2002 federal court decision found the provision to be preempted as to national banks. Thus, pursuant to T.C.A. § 45-2-601, the provision would also be inapplicable to state banks. Public Chapter 32 also deleted an obsolete one-time notice requirement for safe-deposit boxes that was found in T.C.A. § 45-2-908.

Public Chapter 32 also amended T.C.A. §§ 45-2-1402 and 1403 to reduce the age restriction on the acquisition

of de novo banks from five years to three years.

**Public Chapter** 98  
**Amends** T.C.A. Title 45, Chapter 10  
**Effective Date** May 7, 2003

Public Chapter 98 revises a financial institution's authority under the Financial Records Privacy Act (T.C.A. § 45-10-104) to provide that a financial institution can notify a government authority that it has information which the institution believes may be relevant to a possible violation of any statute or regulation. This legislation facilitates the sharing of information between financial institutions and appropriate government officials by limiting the exposure of financial institutions to liability for making such disclosure.

**Public Chapter** 141  
**Amends** T.C.A. Title 45, Chapter 13, Title 47, and Title 62, Chapter 37  
**Effective Date** May 19, 2003

Public Chapter 141 amends the Residential Lending, Brokerage, and Servicing Act, Title 45, Chapter 13 (Mortgage Act) by placing restrictions on the conduct of licensees/registrants under the Mortgage Act with regard to a mortgage loan for home improvement. Specifically, this amendment sets forth the manner by which licensees/registrants must make payments to a contractor or home improvement contractor under a mortgage loan for home improvement. Moreover, this amendment prohibits a licensee/registrant from permitting a contractor or home improvement contractor from being a cosigner or guarantor for a mortgage loan for home improvement. Under this amendment, the Commissioner is authorized to impose a civil penalty in an amount of \$25,000 for each violation.

**Public Chapter** 253  
**Amends** T.C.A. Title 45, Chapter 1, Part 1  
**Effective** June 4, 2003

# Administrative & Legal Division (cont.)

Public Chapter 253 amends T.C.A. § 45-1-119 to require that the Department of Financial Institutions' annual report to the governor be filed within 60 days after the end of each calendar year as opposed to the end of each fiscal year.

<b>Public Chapter</b>	<b>316</b>
<b>Amends</b>	<b>Chapter 871 of the Public Acts of 2002</b>
<b>Effective</b>	<b>June 11, 2003</b>

Chapter 871 of the Public Acts of 2002 created a special joint study committee to perform a comprehensive analysis of predatory lending issues in Tennessee. That Act required the joint study committee to report its findings and recommendations, including any proposed legislation, to the General Assembly no later than February 28, 2003. Public Chapter 316 amended the reporting deadline of the joint study committee by extending it for an additional year to February 28, 2004.

<b>Public Chapter</b>	<b>364</b>
<b>(Sunset Provision for Department of Financial Institutions)</b>	
<b>Amends</b>	<b>T.C.A. Title 4, Chapters 3 and 29</b>
<b>Effective</b>	<b>June 17, 2003</b>

Public Chapter 364 extends the sunset date of the Department of Financial Institutions to June 30, 2007.

## Rulemaking - 2002

Amendment to Chapter 0180-5 – Public Notice of Filing of Applications

Effective Date: 3/30/02

Rule 0180-5-.01 was amended to require that all banks must make public notice within three days of filing an application for a branch. The public notice must also include any assumed name if the branch will operate under an assumed name. Rule 0180-5-.04 was also amended to provide that a bank does not have to submit a certification from the publisher to prove that public

notice was made.

Amendment to Chapter 0180-7 – Rules Pertaining to Applications, Instructions, Forms, Reports of State Banks, and Schedule of Applications Fees for State Banks, BIDCOS, Savings Banks and Trust Companies

Effective Date: 3/30/02

Rule 0180-7 was amended to make it clear that subscription proceeds collected from subscribers in new banks must be placed in an escrow account. This rule was also amended to clarify that when substantially all of a bank's assets are purchased without acquiring a bank's charter, the bank's certificate of authority is null and void. The fees to be paid in connection with certain applications were also amended.

Amendment to Chapter 0180-20 – Recovery of the Costs of Examination and Supervision of Certain Financial Institutions  
Effective Date: 3/30/02

Rule 0180-20 was amended so that the department can charge an assessment fee, in addition to normal regulatory fees, against any financial institution for examination or supervision which are in addition to the costs associated with the level of supervision ordinarily required for a financial institution in sound condition. Prior to this amendment, the Department only assessed these fees against "3", "4" and "5" rated banks.

New Rule – Chapter 0180-30 – Rules Pertaining to the Assessment of the Annual Fee for Non-Depository Trust Companies

Effective Date: 3/30/02

Pursuant to T.C.A. § 45-1-118(c)(2), non-depository trust companies must pay, by July 1 of each year, an annual fee for each office operated by the trust company. Rule 0180-30-.02 simply provides that the fee shall not be prorated for any reason.

New Rule - Chapter 0180-31 Loan Production Offices  
Effective Date: 9/27/02

This new rule requires all Tennessee-chartered banks to give the Department notice before they establish a loan production office (LPO). The notice must be accompanied by a \$100 fee. A loan production office is an office established by a bank at a location other than the bank's main office or a branch location whose purpose is to solicit and/or originate loans. Further, if

the LPO uses an assumed name it must disclose the official chartered name of the bank who owns the LPO.

## Rulemaking - 2003

No new rules or amendments were filed in 2003.

# Bank Division

The **Bank Division** has legal responsibility for assuring the Tennessee state-chartered banking system runs on a safe and sound basis. In its supervisory role, the Bank Division periodically examines the financial soundness of all state-chartered banks, savings banks, and non-depository independent trust companies. Bank examiners perform evaluations of each institution's assets, liabilities, income and expenses; monitor compliance with governing laws and regulations; and rate the effectiveness of the institution's management. The adequacy of capital is assessed to assure the protection of depositors. In addition, examiners review the information technology functions of state-chartered financial institutions for compliance with generally accepted information technology practices and for adherence to departmental regulations. Bank Division staff also examines Business and Industrial Development Corporations (BIDCOs) for compliance with governing statutes, investigate consumer complaints, and evaluate applications for new institutions, branches, expanded financial activities, and corporate reorganizations. As of June 30, 2003, the Bank Division oversaw the affairs of 171 financial institutions, consisting of 159 banks, two BIDCOs, and 10 independent non-depository trust companies.

The Department met the statutory obligation of examining all institutions on either a 12-month or an 18-month basis. This was accomplished through coordination with federal banking regulators.

## Bank Examination

As of June 30, 2003, consolidated total assets of Tennessee state-chartered banks totaled \$25.1 billion, representing a \$0.7 billion increase over the prior year-end. Excluding those banks that have been organized less than two years (De Novo banks) the average asset growth rate from June 30, 2002 to June 30, 2003 was 15.80 percent.

As of June 30, 2003, Tennessee state-chartered banks had consolidated capital totaling \$2.5 billion. Our banks, overall, remain well-capitalized and profitable.

State-chartered banks in Tennessee had a Return on Average Assets of 0.94 percent on June 30, 2003 with an average Net Interest Margin of 4.32 percent. The bank's Allowance for Loan and Lease Losses ratio has improved and was 1.77 percent on June 30, 2003. Overall, State-chartered banks have an average past due ratio of 3.21 percent as of June 30, 2003, improving over the prior year-end past due ratio of 3.60 percent.

Our State-chartered banks, as a whole, are capably

positioned, strategically and financially, to meet new opportunities in the changing economic and political environments and continuing technological and financial innovation.

## Trust Examination

As of June 30, 2003, the Department supervised 10 non-depository trust companies. As of this date these companies reported consolidated total assets of \$49.7 million down 19 percent from \$61.7 million reported at June 30, 2002 and down 15 percent from the \$58.2 million reported as of December 31, 2002. The reduction in corporate assets is due in large part to UBS Paine Webber, Nashville, converting to a national trust company during the first quarter of 2003 and the significant decline in corporate earnings during these reporting periods.

Aggregated net income for Tennessee trust companies declined 346 percent from June 30, 2002 to June 30, 2003 from \$2.2 million to a negative \$5.6 million. Net income declined \$2.8 million or 297 percent since December 31, 2002. This substantial decline in earnings in both periods is the result of a \$10.7 million loss incurred by one trust company as the result of a settlement regarding a class action lawsuit.

However, new account growth and an improved equity market have provided for an 18 percent increase in trust assets under management from June 30, 2002 to June 30, 2003 from \$4.8 billion to \$5.7 billion. Most of this growth has been realized during the first half of 2003 when assets under management grew 17 percent from \$4.9 billion reported at year end 2002.

## Trust Corporate Actions

NONE

## Business And Industrial Development Corporations (BIDCOs)

Tennessee Code Annotated, Section 45-8-225, requires a report to be published annually that summarizes the accomplishments of the various BIDCOs operating in Tennessee. As of June 30, 2003, the Department supervised the operation of two BIDCOs. One BIDCO made loans during 2002, providing financing totaling \$2,013,300 to six small businesses, preserving or creating 118 jobs. The December 31, 2002 summary analysis of the number and dollar amount of loans extended to certain broad categories of industries is detailed as follows:

Category	Number	Dollar Amount
Manufacturing	03	1,633,300
Retail	03	380,000
<b>TOTAL</b>	<b>06</b>	<b>\$2,013,300</b>

## Summary Comments

The Division strives to maintain the highest professional standard while operating its programs and activities as efficiently as possible. A wide range of analytical activities is used to evaluate financial institutions' practices and their financial soundness. Economic and financial systems complexities require that our staff be highly knowledgeable and trained to deal with all issues facing regulated financial institutions. The Division maintains open-door communications with the representatives of regulated institutions, striving for State Charters to be the Charters of Choice.

# Bank Division

## Bank Division Application Activities 2002

### New Banks Opened in 2002

DATE OPEN	NAME OF BANK
4-29-02	SouthEast Bank & Trust, Athens, Tennessee
7-22-02	Bank of Lincoln County, Fayetteville, Tennessee
10-9-02	Patriot Bank, Millington, Tennessee*
12-2-02	First Commerce Bank, Lewisburg, Tennessee

*\*branch incorporation*

### New Banks Opened in 2002

DATE OF MERGER	NAME OF INSTITUTIONS
4-12-02	Bank of Belfast, Belfast, Tennessee, Merged with and into First National Bank of Pulaski, Pulaski, Tennessee

### Conversions To State Charter in 2002

DATE OF CONVERSION	NAME OF INSTITUTION
1-1-02	Cavalry Banking, Murfreesboro, Tennessee converted from a Federal Savings Bank to a State-Chartered Commercial Bank

### BIDCO Voluntary Corporate Transactions (2002)

DATE OF TRANSACTION	TYPE OF TRANSACTION
11-18-02	SecurAmerica Business Credit Corporation, Memphis, Tennessee Voluntary surrender of BIDCO license

### Institutions Closed (2002)

DATE OF TRANSACTION	TYPE OF TRANSACTION
11-8-02	Bank of Alamo, Alamo, Tennessee

## Bank Division Application Activities 2003

### New Banks Opened in 2003

DATE OPEN	NAME OF BANK
5-19-03	First Source Bank, Germantown, Tennessee

### DATE OF MERGER NAME OF INSTITUTIONS

1-24-03	First State Bank, Franklin, Tennessee (formerly Kenton, Tennessee) merged with and into Farmers Bank & Trust Company, Blytheville, Arkansas
1-24-03	Bank of Sharon, Chattanooga, Tennessee (formerly Sharon, Tennessee) merged with and into Northwest Georgia Bank, Ringgold, Georgia
1-24-03	City State Bank, Clarksville, Tennessee (formerly Martin, Tennessee) merged with and into Planters Bank, Inc., Hopkinsville, Kentucky
6-10-03	Bank of Murfreesboro, Murfreesboro, Tennessee merged with and into First Bank, Lexington, Tennessee
6-13-03	Munford Union Bank, Munford, Tennessee merged With and into Pulaski Bank and Trust, Little Rock, Arkansas

### Conversions to State Charter in 2003

DATE OF CONVERSION	NAME OF INSTITUTION
6-2-03	Frontier Bank, Chattanooga, Tennessee converted to a national bank to be called FSG Bank, National Association
6-2-03	First State Bank, Maynardville, Tennessee converted to a national bank to be called FSG Bank, National Association

### New Trust Companies Open 2003

None

### Trust Company Voluntary Corporate Transactions (2003)

DATE OF TRANSACTION	NAME OF TRUST COMPANY
Effective 1-1-03	UBS PaineWebber Trust Company, Nashville, Tennessee, merged with and into UBS PaineWebber Trust Company, N.A., Weehawken, New Jersey

### BIDCO Voluntary Corporate Transactions (2003)

None



# Bank Division (cont.)

Key Bank Ratios - June 30, 2003

CITY	INSTITUTION	CORE CAPITAL (LEVERAGE) RATIO	NET LOANS TO DEPOSITS RATIO	NET LOANS TO ASSETS RATIO	ALLOWANCE FOR LOAN LOSSES RATIO	NET INCOME TO AVERAGE TOTAL EQUITY RATIO	NET INCOME TO AVERAGE TOTAL ASSETS RATIO
ADAMSVILLE	Farmers & Merchants Bank	9.90	54.51	44.35	2.75	0.24	0.03
ASHLAND CITY	Community Bank & Trust Company	9.04	71.11	62.00	1.40	7.76	0.74
ATHENS*	SouthEast Bank & Trust	10.91	80.60	71.22	1.25	-16.35	-2.05
ATWOOD	Citizens Bank & Trust Company	8.26	56.60	51.18	1.04	19.96	1.62
BARTLETT	Bank of Bartlett	6.98	57.32	47.18	1.85	1.42	0.11
BELLS	Bank of Crockett	0.91	57.15	49.54	1.37	13.16	1.25
BELLS	Bells Banking Company	12.26	43.32	37.23	1.99	1.22	0.16
BENTON	Benton Banking Company	9.23	89.22	78.20	1.34	12.44	1.14
BENTON	Peoples Bank of Polk County	13.01	73.30	62.99	1.39	4.92	0.65
BOLIVAR	First South Bank	7.70	77.18	69.32	1.54	22.29	1.89
BOLIVAR	The Bank of Bolivar	8.80	48.22	43.60	6.16	8.11	0.63
BRADFORD	The Bank of Bradford	15.01	30.80	26.04	2.92	4.54	0.68
BRENTWOOD	Premier Bank of Brentwood	9.08	89.50	76.07	1.15	9.97	0.95
BRIGHTON	Brighton Bank	9.54	75.57	63.50	1.72	1.64	0.16
BROWNSVILLE	INSOUTH Bank	7.55	85.95	76.43	0.83	7.69	0.57
BYRDSTOWN	People's Bank and Trust Company	11.74	87.41	74.04	2.49	15.60	1.85
CAMDEN	Bank of Camden	13.17	41.43	34.59	2.18	11.81	1.66
CARTHAGE	Citizens Bank	20.96	69.81	54.81	1.17	11.39	2.40
CARTHAGE	Cumberland Bank	7.02	88.93	75.06	1.27	3.93	0.29
CARTHAGE	Community Bank of Smith County	9.01	89.05	79.97	1.31	14.22	1.26
CHAPEL HILL	First State Bank	16.79	55.78	43.42	1.38	6.97	1.20
CHATTANOOGA	First Volunteer Bank of Tennessee	8.52	79.00	70.62	1.19	10.31	0.93
CHATTANOOGA	Cornerstone Community Bank	7.90	102.75	78.96	1.27	14.36	1.12
CLARKSVILLE	Farmers and Merchants Bank	8.11	99.72	82.35	1.04	9.07	0.75
CLARKSVILLE	Legends Bank	10.66	75.40	62.91	1.24	6.44	0.73
CLARKSVILLE	Cumberland Bank and Trust	12.94	94.38	75.85	1.31	-0.39	-0.05
CLEVELAND	The Bank/First Citizens Bank	7.63	79.46	66.52	1.56	23.94	1.94
CLEVELAND	Bank of Cleveland	9.13	101.03	88.50	1.23	24.78	2.22
CLEVELAND	Southern Heritage Bank	9.09	87.19	78.60	1.36	9.83	0.90
CLIFTON	Peoples Bank	7.53	79.02	70.91	2.40	-0.22	-0.02
CLINTON	The Community Bank of East Tennessee	8.31	60.10	54.49	1.34	8.93	0.77
COLLIERVILLE	BankTennessee	7.36	86.46	72.41	2.07	-4.36	-0.32
COLUMBIA	Community First Bank & Trust	8.49	89.04	77.98	1.34	7.51	0.64
COOKEVILLE	Bank of Putnam County	8.07	51.94	47.45	0.94	15.81	1.29
CORDOVA	First Alliance Bank	11.16	102.11	85.47	1.34	3.93	0.43
CORNERVILLE	Farmers Bank	11.09	88.75	72.24	1.49	5.79	0.65
CROSSVILLE	Cumberland County Bank	8.05	53.91	49.05	1.12	17.12	1.45
DECATURVILLE	Decatur County Bank	13.29	58.87	43.92	1.37	6.52	0.91
DICKSON	Bank of Dickson	13.58	60.47	50.54	1.04	7.61	1.06
DICKSON	TriStar Bank	13.24	67.29	58.23	1.47	8.25	1.12
DUNLAP	Mountain Valley Bank	13.23	79.30	68.11	1.18	6.78	0.93
DUNLAP	Citizens Tri-County Bank	7.41	70.21	63.82	1.46	19.93	1.64

# Bank Division (cont.)

Key Bank Ratios - June 30, 2003

CITY	INSTITUTION	CORE CAPITAL (LEVERAGE) RATIO	NET LOANS TO DEPOSITS RATIO	NET LOANS TO ASSETS RATIO	ALLOWANCE FOR LOAN LOSSES RATIO	NET INCOME TO AVERAGE TOTAL EQUITY RATIO	NET INCOME TO AVERAGE TOTAL ASSETS RATIO
DYER	The Farmers & Merchants Bank	8.80	61.15	50.47	1.05	11.59	1.12
DYER	Bank of Dyer	7.11	79.40	57.69	3.68	-16.07	-1.20
DYERSBURG	Security Bank	9.97	67.72	55.89	1.23	9.98	1.01
ELIZABETHTON	Citizens Bank	9.17	101.64	71.46	1.16	23.67	2.60
ELIZABETHTON	Carter County Bank of Elizabethton	8.87	83.74	75.10	1.36	23.44	2.08
ERIN	Traditions First Bank	16.38	63.26	52.88	1.36	5.97	0.97
FAYETTEVILLE*	Bank of Lincoln County	16.52	79.51	66.93	1.38	1.40	0.27
FRANKEWING	Bank of Frankewing	9.86	83.22	73.58	1.91	14.99	1.48
FRANKLIN	Tennessee Commerce Bank	10.03	87.10	78.76	1.44	9.63	0.86
FRIENDSHIP	Bank of Friendship	8.39	74.89	63.92	4.11	-13.66	-1.19
GAINESBORO	Jackson Bank & Trust	10.16	75.60	61.60	2.03	9.11	0.96
GAINESBORO	Citizens Bank	12.44	52.07	44.48	3.31	6.66	0.90
GALLATIN	First Independent Bank	9.44	61.29	54.38	1.25	10.24	0.96
GATES	Gates Banking and Trust Company	10.71	52.66	45.85	2.15	6.28	0.68
GERMANTOWN*	First Source Bank	81.00	53.84	13.44	1.25	-40.79	-33.03
GERMANTOWN	Renasant Bank	7.42	87.93	75.13	1.27	6.79	0.52
GLEASON	Bank of Gleason	15.32	58.73	48.93	1.23	10.20	1.63
GREENEVILLE*	Bank of Greeneville	11.43	97.66	81.02	1.25	5.40	0.63
GREENEVILLE	Greene County Bank	8.62	107.51	84.32	1.60	13.20	1.15
GREENEVILLE	Andrew Johnson Bank	8.54	94.20	84.65	1.33	16.61	1.43
GREENFIELD	Greenfield Banking Company	11.70	65.60	55.18	1.64	2.35	0.28
HALLS	Bank of Halls	12.07	69.42	59.83	1.23	11.26	1.38
HALLS	The Lauderdale County Bank	8.30	61.94	52.96	1.09	8.16	0.68
HARROGATE	Commercial Bank	10.10	88.32	68.89	1.16	11.60	1.16
HARTSVILLE	Citizens Bank	9.65	84.88	70.78	1.30	10.86	1.05
HENDERSON	First State Bank	13.12	33.78	29.09	7.05	8.98	1.45
HENDERSON	Chester County Bank	7.67	57.08	50.62	3.50	4.48	0.36
HUNTINGDON	Carroll Bank and Trust	10.08	66.91	58.53	1.30	10.86	1.09
JACKSON	The Bank of Jackson	10.33	80.68	69.14	1.19	8.10	0.89
JAMESTOWN	Union Bank	12.10	63.26	54.95	1.37	9.35	1.18
JAMESTOWN	COMMUNITY BANK OF THE CUMBERLANDS	9.43	78.61	70.46	2.18	2.18	0.21
JASPER	Citizens State Bank	8.39	65.16	59.33	1.28	12.35	1.07
JEFFERSON CITY	First Peoples Bank of Tennessee	7.50	87.08	74.76	1.22	1.59	0.12
JELLICO	Union Bank	11.10	60.16	52.43	1.00	15.01	1.80
JOHNSON CITY	People's Community Bank	7.81	84.99	74.36	1.27	15.88	1.28
JOHNSON CITY	State of Franklin Savings Bank	7.59	69.31	54.77	1.05	14.73	1.19
KINGSPORT	Bank of Tennessee	7.78	99.68	81.25	1.33	24.88	1.96
LAFAYETTE	Citizens Bank of Lafayette	10.24	57.83	51.67	1.25	9.39	0.95
LAFAYETTE	Macon Bank and Trust Company	10.27	51.96	45.70	1.58	9.62	1.07
LEBANON	Wilson Bank and Trust	7.66	89.02	72.53	1.18	17.12	1.29
LEBANON	Academy Bank	12.91	84.08	72.53	1.34	8.29	1.09
LENOIR CITY	United Community Bank Tennessee	6.14	53.76	45.45	1.76	5.47	0.68
LEXINGTON	First Bank	9.55	98.41	76.38	1.58	11.96	1.32
LEWISBURG*	First Commerce Bank	22.16	88.74	71.28	1.25	-3.92	-1.09
LIBERTY	Liberty State Bank	9.36	62.18	56.10	2.42	11.52	1.04

# Bank Division (cont.)

Key Bank Ratios - June 30, 2003

CITY	INSTITUTION	CORE CAPITAL (LEVERAGE) RATIO	NET LOANS TO DEPOSITS RATIO	NET LOANS TO ASSETS RATIO	ALLOWANCE FOR LOAN LOSSES RATIO	NET INCOME TO AVERAGE TOTAL EQUITY RATIO	NET INCOME TO AVERAGE TOTAL ASSETS RATIO
LIVINGSTON	Union Bank & Trust Company	8.68	33.18	29.73	3.12	25.58	2.60
LIVINGSTON	American Bank & Trust of the Cumberland	8.73	74.95	65.44	1.45	16.95	1.47
LOBELVILLE	Bank of Perry County	15.94	73.22	61.26	1.96	10.41	1.61
LYNCHBURG	The Farmers Bank of Lynchburg	12.66	62.64	54.23	2.17	-0.12	-0.02
MADISONVILLE	Peoples Bank of Monroe County	8.52	77.20	70.09	1.48	9.24	0.79
MANCHESTER	Peoples Bank & Trust Company	9.18	45.59	39.26	1.42	7.04	0.74
MANCHESTER	Coffee County Bank	10.26	78.93	70.24	1.72	21.65	2.33
MARYVILLE	Citizens Bank of Blount County	12.79	73.42	62.11	1.40	10.58	1.32
MARYVILLE	The Home Bank of Tennessee	8.35	88.20	68.55	1.27	15.91	1.38
MASON	The Bank of Mason	10.68	31.46	27.75	2.27	1.83	0.19
MAURY CITY	Planters Bank of Maury City	8.84	68.52	61.90	3.52	-30.70	-3.09
MC KENZIE	McKenzie Banking Company	9.15	42.57	38.27	7.71	12.07	1.13
MEDINA	Medina Banking Company	16.41	38.74	31.88	1.67	7.53	1.27
MEMPHIS	Tri-State Bank of Memphis	12.05	59.95	52.34	2.25	7.91	0.98
MEMPHIS	Trust One Bank	7.43	88.42	72.06	1.32	15.88	1.20
MEMPHIS	Independent Bank	8.77	89.21	79.80	1.14	9.18	0.75
MEMPHIS	MemphisFirst Community Bank	10.31	70.39	62.01	1.71	-9.27	-0.98
MILAN	The Bank of Milan	8.46	63.36	45.51	3.71	-7.06	-0.60
MILLINGTON*	Patriot Bank	13.83	80.98	70.91	1.02	10.06	1.48
MORRISTOWN	Union Planters Bank of the Lakeway Area	8.41	57.83	51.56	2.10	7.62	0.75
MOSCOW	The Bank of Moscow	9.34	78.15	66.19	1.43	10.38	0.94
MOUNT JULIET	Bank of the South	12.25	77.94	65.06	1.32	5.14	0.67
MOUNTAIN CITY	Farmers State Bank	13.63	65.68	56.14	1.31	9.94	1.38
MOUNTAIN CITY	Johnson County Bank	10.16	94.93	72.64	1.65	14.20	1.40
MURFREESBORO	Cavalry Banking	9.39	80.03	71.51	1.37	11.48	1.10
MURFREESBORO	Rutherford Bank and Trust	8.82	75.27	68.58	1.32	2.79	0.24
NASHVILLE	Citizens Savings Bank and Trust Company	8.88	65.17	58.66	1.55	10.44	0.92
NASHVILLE	Cumberland Bank South	6.91	79.67	64.90	1.14	9.58	0.67
NASHVILLE	The Bank of Nashville	9.17	119.10	70.63	1.96	3.27	0.61
NASHVILLE	Capital Bank & Trust Company	7.45	92.23	74.02	1.42	10.42	0.80
NASHVILLE	Insurors Bank of Tennessee	9.88	103.87	81.34	1.35	-0.78	-0.08
NASHVILLE*	PrimeTrust Bank	12.61	81.76	70.32	1.25	-10.39	-1.24
NEW TAZEWEEL	Citizens Bank	8.82	75.98	65.32	1.55	8.33	0.77
OAK RIDGE	TNBANK	7.40	93.62	78.18	1.35	14.54	1.07
OAKLAND	Oakland Deposit Bank	7.61	67.92	61.08	1.60	6.74	0.52
ONEIDA	First Trust and Savings Bank	6.99	63.19	58.15	1.51	22.22	1.53
OLTEWAH	Community Trust & Banking Company	14.24	84.18	70.16	1.41	6.35	0.92
PARIS	Commercial Bank & Trust Company	7.87	81.44	72.62	1.71	17.59	1.65
PARIS	Security Bank and Trust Company	8.58	77.51	69.73	0.75	19.33	1.76
PARSONS	Farmers Bank	8.48	58.75	52.36	1.73	7.35	0.64
PARSONS	Community South Bank	10.31	86.13	65.49	2.27	9.39	1.05
PIGEON FORGE	Tennessee State Bank	7.93	80.22	66.54	1.40	21.27	1.69
PORTLAND	The Farmers Bank	8.95	67.93	59.54	1.29	11.75	1.13

# Bank Division (cont.)

Key Bank Ratios - June 30, 2003

CITY	INSTITUTION	CORE CAPITAL (LEVERAGE) RATIO	NET LOANS TO DEPOSITS RATIO	NET LOANS TO ASSETS RATIO	ALLOWANCE FOR LOAN LOSSES RATIO	NET INCOME TO AVERAGE TOTAL EQUITY RATIO	NET INCOME TO AVERAGE TOTAL ASSETS RATIO
PORTLAND	Volunteer State Bank	7.99	91.31	73.21	0.83	27.96	2.42
RIPLEY	Bank of Ripley	13.70	57.95	45.00	1.75	6.89	1.00
ROGERSVILLE	The Citizens Bank of East Tennessee	6.96	65.15	59.19	1.40	5.13	0.38
ROGERSVILLE	First Community Bank of East Tennessee	7.73	96.00	80.49	1.08	13.81	1.09
RUTLEDGE	Citizens Bank and Trust Company of Grainger County	17.85	53.00	43.17	3.56	7.18	1.31
SARDIS	The Peoples Bank	12.46	65.39	56.19	2.13	6.28	0.79
SAVANNAH	The Hardin County Bank	8.75	64.72	54.77	0.89	11.42	1.03
SAVANNAH	Central Bank	12.10	76.44	64.32	1.48	8.55	1.04
SELMER	Home Banking Company	7.55	76.97	70.45	1.25	15.79	1.22
SEVIERVILLE	Sevier County Bank	12.86	63.67	55.40	1.57	7.56	0.96
SHELBYVILLE	First Community Bank of Bedford County	10.60	75.58	62.56	1.54	12.04	1.31
SHELBYVILLE	PEOPLES BANK OF BEDFORD COUNTY	12.46	77.50	67.52	2.17	8.99	1.14
SMITHVILLE	DeKalb Community Bank	7.53	87.19	78.76	1.32	17.41	1.29
SOMERVILLE	The Somerville Bank & Trust Company	6.77	73.55	65.63	2.41	12.37	1.30
SPENCER	Citizens Bank of Spencer	12.54	49.03	41.31	4.70	7.27	0.98
SPRING CITY	First Bank of Tennessee	7.88	90.21	79.49	0.90	22.97	1.87
TAZEWELL	First Century Bank	8.71	63.29	56.89	1.30	13.56	1.19
TOONE	Merchants & Planters Bank	7.34	65.36	58.58	3.74	-23.70	-1.92
TRENTON	Peoples State Bank of Commerce	7.05	77.25	66.36	1.15	13.04	1.47
TRENTON	Citizens City & County Bank	7.72	74.48	68.32	2.11	-6.20	-0.48
TREZEVANT	Farmer's and Merchants Bank	8.23	95.31	83.55	2.16	11.70	0.99
TULLAHOMA	American City Bank of Tullahoma	7.89	75.70	68.84	0.74	14.34	1.12
UNION CITY	First State Bank	8.66	89.10	74.93	1.56	10.80	0.69
UNION CITY	Reelfoot Bank	8.62	78.19	70.05	1.41	5.30	0.46
WARTBURG	Citizens First Bank	6.74	74.70	68.63	0.98	12.57	0.85
WAYNESBORO	The Bank of Waynesboro	12.16	76.10	64.90	3.29	11.19	1.37
WAYNESBORO	Wayne County Bank	13.98	87.96	73.61	3.98	10.72	1.50
WINCHESTER	Citizens Community Bank	12.35	83.83	71.66	1.64	15.49	1.97
WOODLAND MILLS	The Farmers Bank	14.49	50.55	43.09	1.77	1.90	0.27
<b>Average for banks operating over 2 years</b>		<b>9.88</b>	<b>73.40</b>	<b>62.40</b>	<b>1.77</b>	<b>9.36</b>	<b>0.94</b>

\* indicates banks operating less than 2 years




# Tennessee State-Chartered Banks

## Consolidated Balance Sheet (in millions)

	June 30, 2003	Dec. 31, 2002	Dollar Change	Percent Change
<b>ASSETS</b>				
Cash and Due from Banks	1061	979	82	8.38
Securities	4882	4821	61	1.27
Federal Funds Sold and Securities Purchased				
Under Agreement to Resell	1015	919	96	10.45
Loans and Leases Held for Sale	332	346	-14	-4.05
Loans and Leases, Net of Unearned Income	16700	16195	505	3.12
Allowance for Loan & Lease Losses	-258	-251	-7	2.79
Assets held in Trading Accounts	0	0	0	
Premises and Fixed Assets	599	584	15	2.57
Other Real Estate Owned	88	86	2	2.33
Investments in Unconsolidated Subsidiaries	9	69	-60	-86.96
Intangible Assets	153	139	14	10.07
Other Assets	546	527	19	3.61
<b>TOTAL ASSETS</b>	<b>25127</b>	<b>24414</b>	<b>713</b>	<b>2.92</b>
<b>LIABILITIES</b>				
Non-Interest Bearing Deposits	2577	2414	163	6.75
Interest Bearing Deposits	18457	18078	379	2.10
<b>TOTAL DEPOSITS</b>	<b>21034</b>	<b>20492</b>	<b>542</b>	<b>2.64</b>
Federal Funds Purchased and Securities				
Sold Under Repurchase Agreement	324	303	21	6.93
Demand Notes Issued to the U. S. Treasury	0	0	0	
Other Borrowed Money	1056	970	86	8.87
Other Liabilities	165	178	-13	-7.30
<b>TOTAL LIABILITIES</b>	<b>22579</b>	<b>21943</b>	<b>636</b>	<b>2.90</b>
Minority Interests in Consolidated Subsidiaries	1	1	0	0.00
<b>EQUITY CAPITAL</b>				
Preferred Stock	1	1	0	0.00
Common Stock	176	180	-4	-2.22
Surplus	936	895	41	4.58
Undivided Profits	1370	1333	37	2.78
Accumulated Other Comprehensive Income	64	61	3	4.92
Other Equity Capital Components	0	0	0	
<b>TOTAL EQUITY CAPITAL</b>	<b>2547</b>	<b>2470</b>	<b>77</b>	<b>3.12</b>
<b>TOTAL LIABILITIES AND EQUITY CAPITAL</b>	<b>25127</b>	<b>24414</b>	<b>713</b>	<b>2.92</b>

# Tennessee State-Chartered Banks

## Consolidated Income Statement (in Millions)



	June 30, 2003	Dec. 31, 2002	Dec. 31, 2001
Interest Income	689	1445	1598
Interest Expense	221	520	787
<b>NET INTEREST INCOME</b>	<b>468</b>	<b>925</b>	<b>811</b>
Non-Interest Income	123	220	190
Non-Interest Expense	381	722	652
Provision for Loan Losses	40	98	101
Securities Gains/Losses	6	9	8
<b>Pre-Tax Net Income</b>	<b>176</b>	<b>334</b>	<b>256</b>
Applicable Income Taxes	48	87	71
<b>NET OPERATING INCOME</b>	<b>128</b>	<b>247</b>	<b>185</b>
Extraordinary Gains/Losses	1	-1	1
<b>NET INCOME</b>	<b>129</b>	<b>246</b>	<b>186</b>
<b>TOTAL CASH DIVIDENDS</b>	<b>71</b>	<b>128</b>	<b>115</b>

# Tennessee State-Chartered Banks

## Summary of Individual Banks as of June 30, 2003 (in Thousands)

CITY	BANK	(a) CASH	(b) INVEST- MENTS	(c) TOTAL LOANS	(d) LOAN LOSS RESERVE	(e) OTHER ASSETS	TOTAL ASSETS	(f) DEPOSITS	(g) OTHER LIABILITIES	(h) MINORITY INTEREST in CONSOLIDATED SUBSIDIARIES	(i) CAPITAL	(j) NET INCOME
ADAMSVILLE	Farmers & Merchants Bank	5,939	9,040	13,399	368	1,375	29,385	23,907	2,150	-	3,328	4
ASHLAND CITY	Community Bank & Trust Company of Cheatham County	2,462	27,370	56,821	795	4,512	90,370	78,790	3,489	-	8,091	307
ATHENS	SouthEast Bank & Trust	1,098	11,842	43,503	543	4,419	60,319	53,300	613	-	6,406	(546)
ATWOOD	Citizens Bank & Trust Company	729	7,225	9,051	94	591	17,502	15,826	194	-	1,482	144
BARTLETT	Bank of Bartlett	19,454	181,928	199,494	3,682	17,832	415,026	341,622	40,760	-	32,644	229
BELLS	Bells Banking Company	2,812	17,970	13,062	260	801	34,385	29,550	418	-	4,417	27
BELLS	Bank of Crockett	4,644	40,648	50,647	694	5,597	100,842	87,406	3,465	-	9,971	630
BENTON	Benton Banking Company	4,638	11,979	74,493	999	3,875	93,986	82,371	2,983	-	8,632	521
BENTON	Peoples Bank of Polk County	1,143	6,506	14,144	197	544	22,140	19,026	117	-	2,997	72
BOLIVAR	First South Bank	8,741	51,987	172,392	2,649	14,411	244,882	219,922	4,144	-	20,816	2,264
BOLIVAR	The Bank of Bolivar	2,440	23,876	24,111	1,486	2,949	51,890	46,924	166	-	4,800	53
BRADFORD	The Bank of Bradford	4,932	23,730	10,693	312	823	39,866	33,702	196	-	5,968	134
BRENTWOOD	Premier Bank of Brentwood	7,668	19,266	100,109	1,149	4,198	130,092	110,574	8,239	-	11,279	551
BRIGHTON	Brighton Bank	3,686	12,153	34,899	602	3,875	54,011	45,383	3,371	-	5,257	43
BROWNSVILLE	INSOUTH Bank	15,723	68,770	412,808	3,419	41,740	535,622	476,299	19,598	450	39,275	1,500
BYRDSTOWN	People's Bank and Trust Company of Pickett County	1,644	15,256	58,970	1,471	3,259	77,658	65,782	2,535	-	9,341	706
CAMDEN	Bank of Camden	9,749	80,079	52,845	1,153	7,906	149,426	124,763	3,338	-	21,325	1,194
CARTHAGE	Citizens Bank	14,157	171,499	242,362	2,830	11,850	437,038	343,136	1,919	-	91,983	5,157
CARTHAGE	Community Bank of Smith County	1,090	8,672	49,608	650	2,501	61,221	54,979	711	-	5,531	380
CARTHAGE	Cumberland Bank	11,640	47,292	226,891	2,887	15,499	298,435	251,894	24,469	250	21,822	426
CHAPEL HILL	First State Bank	4,513	14,965	15,822	219	854	35,935	27,970	1,966	-	5,999	204
CHATTANOOGA	First Volunteer Bank of Tennessee	24,500	72,552	329,034	3,931	38,222	460,377	411,523	8,451	-	40,403	2,103
CHATTANOOGA	Cornerstone Community Bank	6,600	24,318	143,407	1,828	6,815	179,312	137,785	27,729	-	13,797	932
CLARKSVILLE	Cumberland Bank and Trust	1,780	9,875	44,329	582	2,276	57,678	46,354	4,154	-	7,170	(14)
CLARKSVILLE	Legends Bank	7,406	35,001	83,144	1,034	5,999	130,516	108,905	7,497	-	14,114	450
CLARKSVILLE	Farmers and Merchants Bank	8,969	34,395	335,809	3,489	27,855	403,539	333,260	38,090	-	32,189	1,451
CLEVELAND	Bank of Cleveland	5,758	4,487	137,727	1,690	7,440	153,722	134,644	4,925	-	14,153	1,697
CLEVELAND	Southern Heritage Bank	4,690	13,970	95,202	1,294	6,906	119,474	107,703	1,022	-	10,749	513
CLEVELAND	First Citizens Bank of Cleveland	21,455	85,205	238,127	3,720	11,306	352,373	294,999	28,665	-	28,709	3,333
CLIFTON	Peoples Bank	2,294	18,074	68,630	1,648	7,114	94,464	84,764	2,404	-	7,296	(8)
CLINTON	The Community Bank of East Tennessee	2,058	24,464	36,010	483	3,147	65,196	59,118	467	-	5,611	242
COLLIERVILLE	BankTennessee	4,623	31,447	136,299	2,816	14,782	184,335	154,389	16,304	-	13,642	(300)
COLUMBIA	Community First Bank & Trust	3,281	30,443	141,913	1,906	5,803	179,534	157,234	6,783	-	15,517	573
COOKEVILLE	Bank of Putnam County	10,530	101,293	108,871	1,019	7,600	227,275	207,666	904	-	18,705	1,397
CORDOVA	First Alliance Bank	3,229	3,947	57,822	772	2,522	66,748	55,870	3,482	-	7,396	134
CORNERSVILLE	Farmers Bank	2,227	13,300	55,494	826	5,476	75,671	61,595	5,376	-	8,700	247
CROSSVILLE	Cumberland County Bank	3,691	61,544	65,710	735	2,264	132,474	120,522	722	-	11,230	960
DECATURVILLE	Decatur County Bank	5,567	33,612	34,395	470	4,142	77,246	57,628	8,851	-	10,767	341
DICKSON	Bank of Dickson	4,880	71,546	84,124	873	5,043	164,720	137,680	4,035	-	23,005	864
DICKSON	TriStar Bank	2,627	18,578	37,651	552	5,410	63,714	55,129	195	-	8,390	335
DUNLAP	Mountain Valley Bank	2,377	13,562	42,178	497	3,578	61,198	52,558	556	-	8,084	274
DUNLAP	Citizens Tri-County Bank	19,845	68,630	195,228	2,849	20,581	301,435	274,013	2,662	-	24,760	2,375
DYER	Bank of Dyer	1,513	15,156	30,179	1,112	4,645	50,381	36,609	10,146	-	3,626	(300)
DYER	Farmers & Merchants Bank	1,683	21,232	27,952	293	4,228	54,802	45,228	4,113	-	5,461	295
DYERSBURG	Security Bank	11,738	42,230	81,734	1,009	9,743	144,436	119,198	10,118	-	15,120	734
ELIZABETHTON	Carter County Bank of Elizabethton	5,979	33,832	138,540	1,890	5,487	181,948	163,185	1,925	-	16,838	1,940
ELIZABETHTON	Citizens Bank	20,975	107,566	417,771	4,840	36,364	577,836	406,270	109,580	-	61,986	7,074
ERIN	Traditions First Bank	724	13,593	18,678	254	2,099	34,840	29,123	161	-	5,556	161
FAYETTEVILLE	Bank of Lincoln County	1,565	16,727	39,891	551	1,142	58,774	49,478	248	-	9,048	63
FRANKEWING	Bank of Frankewing	3,208	17,122	75,955	1,453	6,417	101,249	89,524	1,491	-	10,234	736
FRANKLIN	Tennessee Commerce Bank	3,640	22,335	106,360	1,527	2,301	133,109	120,362	268	-	12,479	494

# Tennessee State-Chartered Banks

## Summary of Individual Banks as of June 30, 2003 (in Thousands)

CITY	BANK	(a) CASH	(b) INVEST- MENTS	(c) TOTAL LOANS	(d) LOAN LOSS RESERVE	(e) OTHER ASSETS	TOTAL ASSETS	(f) DEPOSITS	(g) OTHER LIABILITIES	(h) MINORITY INTEREST in CONSOLIDATED SUBSIDIARIES	(i) CAPITAL	(j) NET INCOME
FRANKLIN	Cumberland Bank South	12,533	61,804	152,449	1,745	7,177	232,218	189,169	27,806	-	15,243	712
FRIENDSHIP	Friendship Bank	1,699	28,906	64,645	2,659	4,381	96,972	82,773	5,288	-	8,911	(627)
GAINESBORO	Citizens Bank	1,508	24,658	23,517	779	2,213	51,117	43,672	454	-	6,991	227
GAINESBORO	Jackson Bank & Trust	4,427	43,287	95,936	1,947	10,869	152,572	124,318	12,009	-	16,245	722
GALLATIN	First Independent Bank	9,241	39,240	63,210	792	3,872	114,771	101,833	2,337	-	10,601	532
GATES	Gates Banking and Trust Company	914	13,783	14,388	309	1,934	30,710	26,735	500	-	3,475	107
GERMANTOWN	Renasant Bank	3,834	44,914	173,244	2,199	7,877	227,670	194,532	16,467	-	16,671	557
GERMANTOWN	First Source Bank	171	12,382	2,073	26	631	15,231	3,802	3	-	11,426	(549)
GLEASON	Bank of Gleason	2,861	48,929	53,469	657	3,324	107,926	89,918	815	-	17,193	855
GREENEVILLE	Greene County Bank	42,035	42,559	778,020	12,411	57,734	907,937	712,096	117,565	-	78,276	5,053
GREENEVILLE	Andrew Johnson Bank	9,462	9,829	157,096	2,093	8,825	183,119	164,552	2,175	-	16,392	1,320
GREENEVILLE	Bank of Greeneville	3,990	5,023	54,356	679	3,565	66,255	54,961	4,179	-	7,115	189
GREENFIELD	Greenfield Banking Company	1,310	18,444	26,709	438	1,584	47,609	40,045	1,939	-	5,625	66
HALLS	Bank of Halls	2,066	14,031	28,535	352	2,823	47,103	40,599	562	-	5,942	324
HALLS	The Lauderdale County Bank	981	14,290	19,774	216	2,102	36,931	31,578	2,196	-	3,157	126
HARROGATE	Commercial Bank	19,555	67,210	256,331	2,962	27,667	367,801	286,886	42,643	-	38,272	2,159
HARTSVILLE	Citizens Bank	1,530	17,439	51,878	677	2,164	72,334	60,325	5,036	-	6,973	368
HENDERSON	Chester County Bank	7,719	10,946	21,486	753	1,561	40,959	36,322	1,198	-	3,439	75
HENDERSON	First State Bank	4,478	81,820	40,614	2,865	5,709	129,756	111,758	523	-	17,475	263
HUNTINGDON	Carroll Bank and Trust	6,856	47,075	89,122	1,161	8,389	150,281	131,466	3,450	-	15,365	819
JACKSON	The Bank of Jackson	4,838	19,557	63,018	747	3,397	90,063	77,182	3,359	-	9,522	378
JAMESTOWN	Union Bank	4,792	45,425	71,053	970	7,249	127,549	110,789	902	-	15,858	742
JAMESTOWN	COMMUNITY BANK OF THE CUMBERLANDS	2,114	11,814	44,041	958	4,130	61,141	54,809	403	-	5,929	64
JASPER	Citizens State Bank	3,520	14,744	33,159	423	4,180	55,180	50,239	121	-	4,820	292
JEFFERSON CITY	First Peoples Bank of Tennessee	7,150	11,614	75,796	925	6,514	100,149	85,984	6,333	-	7,832	61
JELLICO	Union Bank	2,570	17,329	26,224	263	3,653	49,513	43,150	409	-	5,954	444
JOHNSON CITY	People's Community Bank	7,596	28,415	125,403	1,598	6,677	166,493	145,676	7,691	-	13,126	1,005
JOHNSON CITY	State of Franklin Savings Bank	8,049	108,503	156,977	1,644	11,725	283,610	224,104	37,417	-	22,089	1,598
KINGSPORT	Bank of Tennessee	17,015	32,238	310,576	4,133	21,449	377,145	307,442	40,174	-	29,529	3,600
LAFAYETTE	Citizens Bank of Lafayette	6,879	117,902	143,110	1,792	7,390	273,489	244,377	767	-	28,345	1,300
LAFAYETTE	Macon Bank and Trust Company	7,900	101,538	97,900	1,545	5,071	210,864	185,452	2,226	-	23,186	1,109
LEBANON	Wilson Bank and Trust	17,741	152,139	511,375	6,022	21,487	696,720	567,711	75,742	-	53,267	4,377
LEBANON	Academy Bank	388	7,716	28,575	384	2,574	38,869	33,527	393	-	4,949	203
LENOIR CITY	United Community Bank Tennessee	6,476	78,745	94,943	1,675	26,739	205,228	173,490	1,719	-	30,019	334
LEWISBURG	First Commerce Bank	458	14,801	43,168	539	1,913	59,801	48,040	146	-	11,615	(229)
LEXINGTON	First Bank	31,548	159,337	855,663	13,558	69,525	1,102,515	855,751	123,594	(2)	123,172	6,201
LIBERTY	Liberty State Bank	3,429	32,013	51,180	1,237	3,642	89,027	80,323	318	-	8,386	471
LIVINGSTON	Union Bank & Trust Company	2,363	41,880	21,933	685	5,983	71,474	64,047	494	-	6,933	928
LIVINGSTON	American Bank & Trust of the Cumberlands	2,240	13,601	35,196	511	2,476	53,002	46,275	2,090	-	4,637	379
LOBELVILLE	Bank of Perry County	2,025	28,126	51,097	999	1,527	81,776	68,420	309	-	13,047	663
LYNCHBURG	The Farmers Bank of Lynchburg	1,551	23,398	33,559	727	2,759	60,540	52,411	201	-	7,928	(5)
MADISONVILLE	Peoples Bank of East Tennessee	5,305	16,730	68,005	1,006	6,556	95,590	86,784	646	-	8,160	365
MANCHESTER	Peoples Bank & Trust Company	1,451	30,718	22,917	326	2,782	57,542	49,554	1,740	-	6,248	217
MANCHESTER	Coffee County Bank	2,661	11,422	35,901	617	868	50,235	44,704	290	-	5,241	540
MARYVILLE	Citizens Bank of Blount County	10,304	80,607	163,967	2,303	7,715	260,290	220,184	5,929	-	34,177	1,760
MARYVILLE	The Home Bank of Tennessee	3,476	19,557	65,522	832	6,652	94,375	73,345	12,636	-	8,394	650
MASON	The Bank of Mason	1,683	4,964	2,825	64	543	9,951	8,775	73	-	1,103	10
MAURY CITY	Planters Bank of Tennessee	1,955	6,582	18,260	643	2,305	28,459	25,710	166	-	2,583	(441)
MC KENZIE	McKenzie Banking Company	22,501	28,460	37,214	2,871	4,426	89,730	80,665	494	-	8,571	497
MEDINA	Medina Banking Co.	3,153	15,884	9,293	155	485	28,660	23,585	93	-	4,982	182
MEMPHIS	MemphisFirst Community Bank	1,731	9,019	19,158	327	785	30,366	26,752	232	-	3,382	(161)

# Tennessee State-Chartered Banks

## Summary of Individual Banks as of June 30, 2003 (in Thousands)

CITY	BANK	(a) CASH	(b) INVEST- MENTS	(c) TOTAL LOANS	(d) LOAN LOSS RESERVE	(e) OTHER ASSETS	TOTAL ASSETS	(f) DEPOSITS	(g) OTHER LIABILITIES	(h) MINORITY INTEREST in CONSOLIDATED SUBSIDIARIES	(i) CAPITAL	(j) NET INCOME
MEMPHIS	Trust One Bank	13,374	85,072	309,268	4,071	19,902	423,545	345,158	46,016	-	32,371	2,503
MEMPHIS	Tri-State Bank of Memphis	9,834	43,069	65,385	1,474	5,282	122,096	106,603	708	-	14,787	576
MEMPHIS	Independent Bank	9,900	52,198	293,600	3,337	11,395	363,756	325,371	7,309	-	31,076	1,302
MILAN	The Bank of Milan	1,591	22,505	23,860	886	3,414	50,484	36,257	9,235	-	4,992	(156)
MILLINGTON	Patriot Bank	2,486	10,747	41,165	421	3,484	57,461	50,312	267	-	6,882	337
MORRISTOWN	Union Planters Bank of the Lakeway Area	2,390	68,775	83,892	1,764	5,982	159,275	142,017	2,665	-	14,593	594
MOSCOW	The Bank of Fayette County	6,076	16,571	51,665	737	3,372	76,947	65,164	4,823	-	6,960	330
MOUNT JULIET	Bank of the South	9,882	48,395	126,666	1,667	8,840	192,116	160,377	8,823	-	22,916	583
MOUNTAIN CITY	Farmers State Bank	5,522	42,515	65,630	863	2,555	115,359	98,608	617	-	16,134	783
MOUNTAIN CITY	Johnson County Bank	2,303	16,295	62,775	1,033	4,657	84,997	65,039	11,168	-	8,790	604
MURFREESBORO	Cavalry Banking	42,966	52,909	337,565	4,615	36,789	465,614	416,031	5,693	-	43,890	2,434
MURFREESBORO	Rutherford Bank & Trust	3,549	12,119	40,354	531	2,577	58,068	52,909	194	-	4,965	69
NASHVILLE	Citizens Savings Bank and Trust Company	6,404	14,676	32,308	501	1,334	54,221	48,808	660	-	4,753	243
NASHVILLE	The Bank of Nashville	12,678	86,837	437,382	8,570	78,785	607,112	360,049	138,367	-	108,696	1,780
NASHVILLE	Capital Bank & Trust Company	7,408	47,574	195,826	2,776	12,777	260,809	209,319	31,900	-	19,590	994
NASHVILLE	Insurors Bank of Tennessee	1,075	6,681	39,640	535	1,215	48,076	37,649	5,785	-	4,642	(18)
NASHVILLE	PrimeTrust Bank	3,029	36,875	116,654	1,458	8,712	163,812	140,898	4,541	-	18,373	(819)
NEW TAZEVELL	Citizens Bank	4,442	33,105	88,734	1,376	8,830	133,735	114,980	6,446	-	12,309	501
OAK RIDGE	TNBANK	3,096	15,747	86,464	1,169	4,968	109,106	91,108	9,711	-	8,287	580
OAKLAND	Oakland Deposit Bank	3,762	17,563	49,678	794	9,822	80,031	71,970	1,751	-	6,310	208
ONEIDA	First Trust and Savings Bank	5,350	34,372	62,357	941	4,481	105,619	97,196	615	-	7,808	833
OOLTEWAH	Community Trust & Banking Company	2,501	10,625	42,127	593	4,538	59,198	49,338	2,738	-	7,122	223
PARIS	Commercial Bank & Trust Co.	12,184	72,233	279,819	4,781	19,258	378,713	337,737	5,332	-	35,644	3,073
PARIS	Security Bank and Trust Company	6,751	24,382	87,656	661	6,629	124,757	112,244	883	-	11,630	1,080
PARSONS	Farmers Bank	2,591	13,952	20,896	361	2,141	39,219	34,951	871	-	3,397	122
PARSONS	Community South Bank	6,369	59,113	153,141	3,480	13,370	228,513	173,767	28,427	-	26,319	1,208
PIGEON FORGE	Tennessee State Bank	38,560	75,397	289,291	4,054	29,460	428,654	355,588	39,331	-	33,735	3,528
PORTLAND	The Farmers Bank	12,870	93,419	173,603	2,233	10,141	287,800	252,282	7,629	-	27,889	1,613
PORTLAND	Volunteer State Bank	8,333	31,114	136,277	1,127	10,002	184,599	148,011	20,922	-	15,666	2,087
RIPLEY	Bank of Ripley	5,288	73,426	72,382	1,268	8,186	158,014	122,722	10,817	-	24,475	814
ROGERSVILLE	First Community Bank of East Tennessee	5,646	17,100	149,383	1,620	13,079	183,588	153,919	15,709	-	13,960	948
ROGERSVILLE	The Citizens Bank of East Tennessee	2,941	34,056	68,010	953	9,245	113,299	102,923	2,089	-	8,287	213
RUTLEDGE	Citizens Bank and Trust Company of Grainger County	4,378	70,143	62,350	2,217	4,640	139,294	113,456	557	-	25,281	904
SARDIS	The Peoples Bank	1,570	12,888	20,503	436	1,185	35,710	30,687	580	-	4,443	137
SAVANNAH	Central Bank	3,233	21,455	51,580	764	3,500	79,004	66,475	2,861	-	9,668	403
SAVANNAH	The Hardin County Bank	5,666	69,941	111,019	986	15,252	200,892	170,009	11,967	-	18,916	1,033
SELMER	Home Banking Company	1,854	8,646	36,773	459	4,729	51,543	47,179	310	-	4,054	308
SEVIERVILLE	Sevier County Bank	11,706	104,115	153,399	2,409	5,736	272,547	237,145	501	-	34,901	1,301
SHELBYVILLE	First Community Bank of Bedford County	9,264	50,419	120,945	1,866	11,596	190,358	157,546	11,899	-	20,913	1,223
SHELBYVILLE	Peoples Bank of Bedford County	1,322	8,218	24,415	529	1,951	35,377	30,822	169	-	4,386	192
SMITHVILLE	DeKalb Community Bank	2,631	13,858	75,066	989	3,491	94,057	84,957	2,224	-	6,876	575
SOMERVILLE	The Somerville Bank & Trust Company	5,705	42,657	117,181	2,824	11,530	174,249	155,478	1,305	-	17,466	1,127
SPENCER	Citizens Bank of Spencer	1,673	15,023	12,991	611	891	29,967	25,250	376	-	4,341	155
SPRING CITY	First Bank of Tennessee	7,425	15,505	106,537	954	4,312	132,825	117,041	5,189	-	10,595	1,222
TAZEVELL	First Century Bank	13,156	86,394	157,243	2,049	18,037	272,781	245,216	2,867	-	24,698	1,625
TOONE	Merchants & Planters Bank	5,037	31,344	65,181	2,435	7,977	107,104	95,999	2,761	-	8,344	(1,048)
TRENTON	Citizens City & County Bank	1,926	4,143	18,509	390	2,334	26,522	24,328	158	-	2,036	(63)
TRENTON	Peoples State Bank of Commerce	3,271	14,600	55,296	638	9,840	82,369	70,756	2,042	-	9,571	602
TREZEVANT	Farmer's and Merchants Bank	3,042	4,966	68,589	1,483	5,200	80,314	70,411	3,120	-	6,783	386
TULLAHOA	American City Bank of Tullahoma	4,193	27,451	82,613	614	5,480	119,123	108,317	1,540	-	9,266	658
UNION CITY	First State Bank	17,600	95,058	454,440	7,083	36,999	597,014	502,087	41,893	179	52,855	2,047

# Tennessee State-Chartered Banks

## Summary of Individual Banks as of June 30, 2003 (in Thousands)

CITY	BANK	(a) CASH	(b) INVEST- MENTS	(c) TOTAL LOANS	(d) LOAN LOSS RESERVE	(e) OTHER ASSETS	TOTAL ASSETS	(f) DEPOSITS	(g) OTHER LIABILITIES	(h) MINORITY INTEREST in CONSOLIDATED SUBSIDIARIES	(i) CAPITAL	(j) NET INCOME
UNION CITY	Reelfoot Bank	11,945	17,212	104,192	1,470	14,770	146,649	131,379	2,303	-	12,967	346
WARTBURG	Citizens First Bank	4,213	12,978	47,121	463	4,134	67,983	62,459	853	-	4,671	287
WAYNESBORO	The Bank of Waynesboro	8,590	13,415	52,305	1,720	5,353	77,943	66,470	2,097	-	9,376	512
WAYNESBORO	Wayne County Bank	5,666	21,044	108,546	4,318	10,656	141,594	118,494	3,056	-	20,044	1,045
WINCHESTER	Citizens Community Bank	3,526	16,565	66,986	1,099	5,970	91,948	78,598	1,892	-	11,458	886
WOODLAND MILLS	The Farmers Bank	882	6,755	6,041	107	201	13,772	11,740	25	-	2,007	19
		<b>1,060,971</b>	<b>5,897,646</b>	<b>17,031,422</b>	<b>258,164</b>	<b>1,394,682</b>	<b>25,126,557</b>	<b>21,033,643</b>	<b>1,545,004</b>	<b>877</b>	<b>2,547,034</b>	<b>128,980</b>

### Footnotes:

- (a) Cash-Includes currency/coin, both interest-bearing and non-interest bearing balances due from depository institutions.
- (b) Invest.-Investments owned: Includes securities, federal funds sold, and securities purchased under agreements to resell.
- (c) Total Loans-Includes all loans and lease financing receivables, net of unearned income.
- (d) Loan Loss Reserve-Allowance for Loan and Lease Losses
- (e) Other Assets-Includes premises and fixed assets, trading assets, other real estate owned, investments in unconsolidated subsidiaries and associated companies, customer's liability to bank on acceptances outstanding, intangible assets, and assets not reportable elsewhere.
- (f) Total Deposits-Includes all interest bearing and non-interest bearing customer deposits held.
- (g) Other Liabilities-Includes federal funds purchased, securities sold under agreements to repurchase, demand notes issued to US Treasury, other money, mortgage indebtedness, and obligations under capitalized leases, bank's liability on acceptances outstanding, and all other liabilities.
- (h) Minority Interests in Unconsolidated Subsidiaries
- (i) Equity Capital-Includes preferred stock, common stock, surplus, undivided profits, and accumulated other comprehensive income
- (j) Net Income-Income earned after all expenses, taxes and extraordinary items

# Bank Division

## Tennessee Chartered Trust Companies

### Consolidated Statement of Condition, June 30, 2003 (in Thousands)

(Formerly Consolidated Balance Sheet)

<b>ASSETS</b>	<b>6/30/03</b>	<b>6/30/02</b>	<b>\$ Change</b>	<b>% Change</b>
Cash and Due from Banks	5,399	14,278	-8,879	-62.19%
Securities and Investments	2,949	2,132	817	38.32%
Premises and Fixed Assets	3,568	4,272	-704	-16.48%
Other Assets	37,848	41,106	-3,258	-7.93%
<b>TOTAL ASSETS</b>	<b>49,764</b>	<b>61,788</b>	<b>-12,024</b>	<b>-19.46%</b>
<b>LIABILITIES</b>				
Other Liabilities	9,004	7,730	1,274	16.48%
<b>TOTAL LIABILITIES</b>	<b>9,004</b>	<b>7,730</b>	<b>1,274</b>	<b>16.48%</b>
Unrestricted Assets	282	266	16	6.02%
Temporarily Restricted Assets	61	8	53	662.50%
Permanently Restricted Assets	8	8	0	0.00%
<b>EQUITY CAPITAL</b>				
Common Stock	5,428	4,860	568	11.69%
Less: Treasury Stock	-211	-189	-22	11.64%
Surplus	32,952	34,631	-1,679	-4.85%
Undivided Profits	2,269	14,590	-12,321	-84.45%
Deferred Compensation	-17	-85	68	-80.00%
Unrealized Gains and (Losses)	-12	-31	19	-61.29%
Total Equity Capital	40,409	53,776	-13,367	-24.86%
<b>TOTAL LIABILITIES AND EQUITY CAPITAL</b>	<b>49,764</b>	<b>61,788</b>	<b>-12,024</b>	<b>-19.46%</b>

# Bank Division

## State-Chartered Trust Companies Consolidated Income Statement (To Nearest Thousand)

	06/30/03	06/30/02	\$ Change	% Change
Fee Income	24,999	25,809	-810	-3.14%
<b>NET FEE INCOME</b>	<b>24,999</b>	<b>25,809</b>	<b>-810</b>	<b>-3.14%</b>
Other Income	559	902	-343	-38.03%
<b>TOTAL INCOME</b>	<b>25,558</b>	<b>26,711</b>	<b>-1,153</b>	<b>-4.32%</b>
Operating Expenses	27,474	15,394	12,080	78.47%
Advisor/Consulting Fees	7,445	7,616	-171	-2.25%
Inter-Company Expense (Credit)	0	0	0	0.00%
Securities (Gains) and Losses	1	0	1	0.00%
<b>TOTAL OPERATING EXPENSES</b>	<b>34,920</b>	<b>23,010</b>	<b>11,910</b>	<b>51.76%</b>
Pre-Tax Net Operating Income	-9,362	3,701	-13,063	-352.96%
Applicable Income Taxes	-3,919	1,259	-5,178	-411.28%
Non-Operating Expenses	163	160	3	1.88%
<b>NET OPERATING INCOME</b>	<b>-5,606</b>	<b>2,282</b>	<b>-7,888</b>	<b>-345.66%</b>
Extraordinary Gains/Losses	0	0	0	0.00%
<b>NET INCOME</b>	<b>-5,606</b>	<b>2,282</b>	<b>-7,888</b>	<b>-345.66%</b>
<b>TOTAL DIVIDENDS AND/OR DISTRIBUTIONS</b>	<b>761</b>	<b>480</b>	<b>281</b>	<b>58.54%</b>



# Bank Division

## Tennessee Chartered Trust Companies Statement of Condition 6/30/2003 (Formerly Summary of Individual Trust Companies) (To Nearest Thousand)

		A	B	C	D	E	F	G	H	I	J
		Cash	Invest	Other Assets	Total Assets	Other Liabilities	Equity Cap	Net Income	TAUM	Com/ Col Fnd	# of funds
Independence Trust Company	Franklin	14	545	1,056	1,615	395	1,220	61	351,879	154,161	2
Sentinel Trust Company <b>(K)</b>	Hohenwald	482	0	1,289	1,771	85	1,686	152	62,495		
Meridian Trust and Investment Company	Knoxville	241	219	399	859	47	812	-14	208,393		
The Trust Company of Knoxville	Knoxville	47	801	600	1,448	150	1,298	127	681,950	71,242	13
Diversified Trust Company	Memphis	331	0	2,029	2,360	1,142	1,218	373	895,278	425,787	12
First Mercantile Trust Company	Memphis	2,651	0	35,470	38,121	6,856	31,264	-6,222	2,671,675	1,973,442	169
Investment Counsel and Trust Company	Memphis	409	156	130	695	56	639	-13	161,641		
Cumberland Trust and Investment Company	Nashville	604		164	768	41	727	-366	70,618		
Equitable Trust Company	Nashville	459	1,220	87	1,766	221	1,545	235	626,939		
Guardianship and Trusts Corporation <b>(L, M)</b>	Nashville	161	8	192	361	11	351 <b>(N)</b>	61	11,080		
<b>Total</b>		<b>5,399</b>	<b>2,949</b>	<b>41,416</b>	<b>49,764</b>	<b>9,004</b>	<b>40,409</b>	<b>-5,606</b>	<b>5,741,948</b>		

### FOOTNOTE:

(A) Cash - Includes currency and coin, and both interest bearing and non-interest bearing balances due from depository institutions;

(B) Investments - Investments Owned;

(C) Other Assets - Includes premises and fixed assets, investments in unconsolidated subsidiaries, intangible assets, and all other assets;

(D) Total Assets - The sum of (A) through (C);

(E) Other Liabilities - Includes all liabilities;

(F) Equity Capital - Includes preferred stock, common stock, debt capital, surplus, undivided profits, and all other capital;

(G) Net Income - Income earned after all reserves net of any unrealized holding gains (losses) on available for sale securities;

(H) Total Assets Under Management - Total Discretionary and Non-Discretionary Assets Under Management at market value less amounts held in Common/Collective Funds;

(I) Common/Collective Funds - Assets held Under Management at market value less amounts held in Common/Collective Funds;

(J) Number of Funds - Number of Common and/or Collective Investment Funds trustee by company at market value;

(K) Trustee of Corporate and Municipal Bonds,

(L) Not-for-profit trust company;

(M) Operates on a fiscal year ending 6-30;

(N) Net Assets.

# Compliance Division

## Overview

The **Compliance Division** is responsible for the licensing and regulatory supervision of the following six types of financial institutions operating in Tennessee:

- Check Cashing
- Deferred Presentment Service Companies
- Money Transmitters
- Industrial Loan & Thrift Companies
- Insurance Premium Finance Companies
- Residential Mortgage Lenders, Brokers, and Servicers

With the development of a comprehensive examination program, all of the above industries are subject to periodic examinations by the Division's field examiners. The Compliance Division's examinations are designed to test and enforce compliance with Tennessee laws, as well as federal regulations. These laws were written in order to protect the consumer by limiting the amount of interest and fees that can be assessed to them.

The field examiners also investigate consumer complaints and allegations of consumer fraud and usury. The Division's staff is also responsible for investigating consumer complaints involving title pledge lenders and reports of inadequate or inaccurate disclosures given to consumers by title pledge lenders.

## Check Cashing Companies

The activities of Check Cashing Companies are governed by "The Check Cashing Act of 1997" codified at Tennessee Code Annotated Title 45, Chapter 18. Retailers who cash checks incidental to their retail operations are exempt from the Act if their compensation for cashing checks does not exceed five percent of their gross receipts. See T.C.A. § 45-18-103(5).

## Licensing

To obtain a check cashing license, an applicant must maintain a minimum net worth of \$25,000 per location and demonstrate sufficient character and experience to command confidence of the public and warrant the belief that the applicant will operate its business lawfully and fairly. As of December 31, 2002, there were 311 licensed check cashers in Tennessee. For the period January 1 through June 30, 2003, an additional 29 license applications were granted.

## Examinations

Examinations of licensed check cashers are conducted pursuant to T.C.A. § 45-18-113. During the calendar year 2002, the Compliance Division of the Department performed 249 check cashing examinations resulting in refunds of \$57 to three customers. 152 examinations were conducted from January 1 through June 30, 2003 resulting in additional refunds of \$145 to six customers. By agreement, two companies paid penalties of \$700.

## Deferred Presentment Service Companies

The activities of the Deferred Presentment Services Companies are governed by "The Deferred Presentment Services Act" codified at Tennessee Code Annotated Title 45, Chapter 17.

## Licensing

To obtain a deferred presentment services license, an applicant must maintain a minimum net worth of \$25,000 per location and demonstrate sufficient character and experience to command confidence of the public and warrant the belief that the applicant will operate its business lawfully and fairly. Last year the Department approved 206 deferred presentment services license applications, and because companies must obtain a license for each location from which such business is conducted, there were 1,127 licenses as of December 31, 2002. During January 1 through June 30, 2003, 74 license applications were approved thus increasing the number of active accounts to 1,186.

## Examinations

For the year ending December 31, 2002, the Department's Compliance Division conducted 924 examinations of deferred presentment offices. Typically, the Department's compliance examiners review a random sample of the licensee's transactions by looking at the fees charged and the disclosures given to the customers. As a result, 93 licensees made total refunds of \$41,528 to 667 customers for charging excessive or unauthorized fees pursuant to Tennessee Code Annotated § 45-17-115. From January 1 through June 30, 2003, the Department conducted an additional 672 examinations resulting in refunds of \$21,672 to 593 customers. By agreement, one company paid a penalty of \$200.

## Annual Report Information

By September 1 of each year, licensees are required by

Tennessee Code Annotated § 45-17-119 to file with the Commissioner of Financial Institutions an Annual Report covering the licensee's business activities as of the close of business on June 30. These reports include a balance sheet, statement of income and expense, as well as other statistical data consistent with generally accepted accounting principles. Below is a recapitulation of the 2002 and 2003 annual reports for the purpose of reflecting the general results of each year's operations.

## Annual Report Information for Fiscal Year Ending June 30, 2002

The following tabulation represents aggregate information from reports filed by 448 companies having 594 branch offices. The Department did not require an annual report from companies that opened after June, 2002.

### Balance Sheet

Total Assets	\$115,577,364
Total Liabilities	34,069,349
Net Worth	81,508,015

Total assets of the average sized company operating in Tennessee for 2002 was \$257,985. Thirty-four (34) companies reported assets greater than \$500,000; one hundred, ninety-one (191) companies had assets of between \$100,000 and \$500,000; and the remaining two hundred, twenty-three (223) showed total assets of less than \$100,000. As with many of the small companies, funding for the business is supplied principally by the owners with total assets being comprised of 29.5 percent liabilities and 70.5 percent owner equity.

## Statement of Income and Expenses

The following information was compiled from the statements of income and expenses for the period of July 1, 2001 to June 30, 2002.

Total Operating Income	\$121,292,847
Salary Expense	33,357,928
Bad Debt Expense	9,162,345
Net Income (After Tax)	13,311,443

Of the 448 companies, 95 reported operating losses and 32 reported net income of over \$100,000 for the period ending June 30, 2002. The average company made a profit of \$29,713.

Salaries are a major company expense, amounting to about 27.5 percent of total operating income. The average salary expense for each company was \$74,460.

# Compliance Division (cont.)

Losses on receivables constitute another major industry expense. Bad debt expense represented approximately 7.6 percent of total operating income.

Effective July 1, 2001, following an amendment to Tennessee Code Annotated, Section 45-17-112(i) of the Deferred Presentment Services Act, licensees may now assess a handling charge not to exceed \$20 if a check is returned from a payer financial institution due to insufficient funds, stop payment order or closed account. From the 2002 Annual Report, 31 percent or 139 of the 448 reporting companies collected \$136,698 in handling charges for fiscal year ending June 30, 2002.

As of June 30, 2002, the industry made a return on assets of 11.5 percent based on total assets and a return on equity of 16.3 percent.

## Transactional Data

The following transactional data was reported for the reporting period ending June 30, 2002:

Number of receivable transactions	3,184,318
Dollar amount of transactions during the year	\$635,319,768
Average size of receivable transactions	\$199

Number of transactions by size of check:	
\$1 - \$150	529,424
\$151 - \$250	2,554,672
\$251 - \$500	100,222

## Annual Report Information for Fiscal Year Ending June 30, 2003

The following tabulation represents aggregate information from reports filed by 452 companies operating 1131 offices. The Department did not require companies that opened after June, 2003 to file an annual report.

### Balance Sheet

Total Assets	\$146,747,780
Total Liabilities	5,204,951
Net Worth	94,698,264

Total assets of the average sized company operating in Tennessee for 2003 was \$324,663. 45 companies reported assets greater than \$500,000; 181 companies had assets of between \$100,000 and \$500,000; and the remaining 226 showed total assets of less than \$100,000. As with many of the small companies, funding for the business is supplied principally by the owners with

total assets being comprised of 35.5 percent liabilities and 64.5 percent owner equity.

## Statement of Income and Expenses

The following information was compiled from the statements of income and expenses for the period of July 1, 2002 to June 30, 2003.

Total Operating Income	\$116,841,355
Salary Expense	31,077,486
Bad Debt Expense	8,978,666
Net Income (After Tax)	15,946,287

Of the 452 reporting companies, 96 reported operating losses and 42 reported net income of over \$100,000. The average company made a profit of \$35,279.

Salaries are a major company expense, amounting to about 26.6 percent of total operating income. The average salary expense for each company was \$68,755.

Losses on receivables constitute another major industry expense. Bad debt expense represented approximately 7.7 percent of total operating income.

As of June 30, 2003, the industry made a return on assets of 10.9 percent based on total assets and a return on equity of 16.8 percent.

## Transactional Data

The following transactional data was reported for the reporting period ending June 30, 2003:

Number of receivable transactions	3,321,390
Dollar amount of transactions during the year	\$662,053,386
Average size of receivable transactions	\$200

Number of transactions by size of check:	
\$1- 150	538,627
\$151- 250	2,602,374
\$251- 500	180,389

## Money Transmitters

The activities of Money Transmitter companies are governed by "The Tennessee Money Transmitter Act of 1994," codified at T.C.A. Title 45, Chapter 7. There are exemptions that apply to certain government agencies, as well as business organizations. See T.C.A. § 45-7-204.

## Licensing

Each applicant for a license must demonstrate, and each licensee must maintain, a net worth of not less than \$100,000 computed according to generally accepted accounting principles. Persons transmitting, or proposing to transmit, money shall have an additional net worth of \$25,000 per additional location or agent located in Tennessee, as applicable, to a maximum of \$500,000. The applicant must demonstrate such experience, character, and general fitness as to command the confidence of the public and warrant the belief that the business to be operated thereunder will be operated lawfully and fairly. As of December 31, 2002, 36 companies held a license.

The number of licensed companies increased to 39 as of June 30, 2003.

## Examinations

Examinations of money transmitters are conducted pursuant to T.C.A. § 45-7-214. The Commissioner in lieu of an on-site examination, may accept the examination report of an agency of another state, or a report prepared by an independent accounting firm, and reports so accepted are considered, for all purposes as an official report of the Commissioner.

## Industrial Loan And Thrift Companies

Consumer loan companies operate under The Industrial Loan and Thrift Companies Act, codified at T.C.A. Title 45, Chapter 5. The stated purpose of the Act is to allow citizens to have the services of regulated lending institutions at rates and charges reasonably commensurate with economic realities. This Act authorizes those companies that obtain a certificate of registration to charge rates and fees somewhat higher than what may be charged under the State's General Usury statutes. While the Act allows higher interest rates, it also contains many consumer protection provisions particularly with respect to loan charges. Since 2001, legislation was enacted that requires companies licensed under this Act to secure bonding. The bonding requirements are as follows: If the applicant proposes to make loans secured by a mortgage, the surety bond or letter of credit shall be in the amount of \$200,000. For all other applicants, the bond or letter of credit shall be in the amount of \$50,000. Only one 1 bond or letter of credit is required for any registrant, irrespective of the number of employees or offices of such registrant.

# Compliance Division (cont.)

## Registration

To obtain a certificate of registration, an applicant must maintain a net worth of at least \$25,000 and demonstrate sufficient character to command the confidence of the public and warrant the belief that the applicant will operate its business lawfully and fairly. At the end of year 2002, there were 762 locations licensed under the Act. The number of active companies decreased to 726 as of June 30, 2003.

## Examinations

During 2002, we conducted 702 examinations resulting in refunds of \$1,685,791.25 to consumers of the state. We examined 92 percent of the licensed locations. As of June 30, 2003, 264, or 36 percent of the licensed locations had been examined, resulting in refunds to consumers of \$80,596.50. Special examinations were conducted frequently as a result of complaints filed with the Department.

## Complaints

44 complaints were filed and resolved in 2002. A total of \$14,661.66 was refunded to consumers because of these complaints. As of June 30, 2003, 30 complaints had been filed in the Division.

## Annual Report Information

Pursuant to T.C.A. § 45-5-503, each registrant must file with the Commissioner by no later than July 31st of each year, an annual report showing basic financial information as to the registrant's operations. The information in the following exhibits was derived from those reports covering the time period of January 1, 2001 – December 31, 2002.

i. Industrial Loan & Thrift Companies Composite Annual Report

ii. Industrial Loan & Thrift Companies with loans less than \$300.

iii. Industrial Loan & Thrift Companies with loans greater than \$300.

## INDUSTRIAL LOAN AND THRIFT COMPANIES Composite Annual Report Year Ending December 31, 2002

	December 31, 2002	December 31, 2001
Number of Offices Included in this Report	737	661
Number of Employees in State at Year-end	3,043	3100

## REGULATED ENTITIES PROFIT PERCENTAGE

### RATE OF RETURN

Average Net Receivable	\$2,904,011,547.00	\$2,408,774,229
Net Income	\$36,424,279.00	\$88,591,588
Rate of Return	1.25%	3.68%

## ANALYSIS OF CHARGES ON LOANS

Charges Collected and/or Earned	\$560,933,478.00	\$551,146,086
Average Monthly Rate Collected	1.61%	1.91%

## ANALYSIS OF EXPENSE PER ACCOUNT

Average Number of Accounts Outstanding	465,633	392,834
Total Expenses	\$550,722,449.00	\$489,605,010
Average Monthly Expense Per Account	\$98.56	\$103.86

## STATEMENT OF INCOME AND EXPENSES

Total Operating Income	\$605,136,444.00	\$597,468,716
Total Expenses Before Income Taxes	\$550,722,449.00	\$489,605,010
Income Before Income Taxes	\$54,413,995.00	\$107,863,706

## OTHER INFORMATION

Number of Loans Made During the Year	820,556	749,596
Dollar Volume of Loans Made During the Year	\$2,052,623,465.00	\$1,717,489,093
Bad Debts	\$154,186,311.00	\$119,763,180
Bad Debts - Number of Accounts	58,882	55,665



# Compliance Division (cont.)

INDUSTRIAL LOAN AND THRIFT COMPANIES  
Loans Less Than \$300  
Year Ending December 31, 2002

	December 31, 2002	December 31, 2001
Number of Offices Included in this Report	40	29
Number of Employees in State at Year-end	120	101

## REGULATED ENTITIES PROFIT PERCENTAGE

### RATE OF RETURN

Average Net Receivable	\$4,708,858.00	\$5,226,976
Net Income	\$1,548,821.00	\$1,352,804
Rate of Return	32.89%	25.88%

## ANALYSIS OF CHARGES ON LOANS

Charges Collected and/or Earned	7,267,483	\$7,217,644
Average Monthly Rate Collected	12.86%	11.51%

## ANALYSIS OF EXPENSE PER ACCOUNT

Average Number of Accounts Outstanding	23,381	27,977
Total Expenses	\$5,982,268	\$6,278,806
Average Monthly Expense Per Account	\$21.32	\$18.70

## STATEMENT OF INCOME AND EXPENSES

Total Operating Income	\$7,665,445	\$7,706,734
Total Expenses Before Income Taxes	\$5,982,268	\$6,278,806
Income Before Income Taxes	\$1,683,177	\$1,427,928

## OTHER INFORMATION

Number of Loans Made During the Year	125,959	152,456
Dollar Volume of Loans Made During the Year	\$35,640,108	\$38,931,706
Bad Debts	\$1,283,217	\$1,235,528
Bad Debts - Number of Accounts	7,310	7,188

INDUSTRIAL LOAN AND THRIFT COMPANIES  
Loans Greater Than \$300  
Year Ending December 31, 2002

	December 31, 2002	December 31, 2001
Number of Offices Included in this Report	697	632
Number of Employees in State at Year-end	2,923	2,999

## REGULATED ENTITIES PROFIT PERCENTAGE

### RATE OF RETURN

Average Net Receivable	\$2,899,302,689.00	\$2,403,547,253
Net Income	\$34,875,458.00	\$87,238,734
Rate of Return	1.20%	3.63%

## ANALYSIS OF CHARGES ON LOANS

Charges Collected and/or Earned	\$553,665,995.00	\$543,928,442
Average Monthly Rate Collected	1.59%	1.89%

## ANALYSIS OF EXPENSE PER ACCOUNT

Average Number of Accounts Outstanding	442,252	364,857
Total Expenses	\$544,740,181.00	\$483,326,204
Average Monthly Expense Per Account	\$102.65	\$110.39

## STATEMENT OF INCOME AND EXPENSES

Total Operating Income	\$597,470,999.00	\$589,761,982
Total Expenses Before Income Taxes	\$544,740,181.00	\$483,326,204
Income Before Income Taxes	\$52,730,818.00	\$106,435,778

## OTHER INFORMATION

Number of Loans Made During the Year	694,597	597,140
Dollar Volume of Loans Made During the Year	\$2,016,983,357.00	\$1,678,557,387
Bad Debts	\$152,903,094.00	\$118,527,652
Bad Debts - Number of Accounts	51,572	48,477

# Compliance Division (cont.)

## Insurance Premium Finance Companies

The activities of Premium Finance Companies are governed by the “Premium Finance Company Act of 1980”, codified at T.C.A. Title 56, Chapter 37. “Premium Finance Company” means a person engaged in the business of entering into premium finance agreements or acquiring premium finance agreements from other premium finance companies. “Premium finance agreement” means an agreement by which an insured, or prospective insured, promises to pay to a premium finance company the amount advanced, or to be advanced under the agreement to an insurer or to an insurance agent or producing agent in payment of premiums of an insurance contract, together with interest and a service charge as authorized and limited by this Chapter.

### Registration

To obtain a license, an applicant must, pursuant to T.C.A. § 56-37-104(b), be competent and trustworthy, act in good faith, have a good business reputation, experience, training or education in this business. Furthermore, if the applicant is a foreign or domestic corporation, LLC, or limited partnership, it must be authorized to conduct business in this state. At the end of the year 2002, there were 66 companies licensed under the Act. The number of licensed companies had decreased to 59, as of June 30, 2003.

### Examinations

We conducted 12 examinations in 2002, representing 18% of the licensed offices located in Tennessee. Through June 30, 2003, 4 examinations, or 7% of the licensed locations, had been conducted.

### Complaints

No consumer complaints were received on Premium Finance Companies in the year 2002, or through June 30, 2003.

## Residential Mortgage Lenders, Brokers, And Servicers

The activities of Residential Mortgage Lending, Brokering, and Servicing companies are governed by the “Tennessee Residential Lending, Brokerage and Servicing Act of 1988”, codified at T.C.A. Title 45, Chapter 13. T.C.A. § 45-13-103(a) expands this further by stating “no person shall engage in the business of making mortgage loans, nor shall any person engage in the business of being a mortgage loan broker in this state, nor shall any person engage in the business of being a mortgage loan servicer in this state, without first obtaining a license from the Commissioner or filing a registration statement under this Chapter”. Certain companies may be exempt under criteria explained in T.C.A. § 45-13-103. If the applicant proposes to make or service mortgage loans, the surety bond or irrevocable letter of credit shall be in the amount of two hundred thousand dollars (\$200,000). For all applicants whose activities are limited to the brokering of mortgage loans, the surety bond or irrevocable letter of credit shall be in the amount of ninety thousand dollars (\$90,000). Only one (1) bond or letter of credit is required for any licensee, irrespective of the number of employees or offices of such licensee.

### Registration

To obtain a certificate of registration, an applicant must maintain a net worth of at least \$25,000.00 and demonstrate sufficient character to command the confidence of the public and warrant the belief that the applicant will operate its business lawfully and fairly. At the end of year 2002, there were 1,138 companies licensed under the Act. This number had increased to 1219 licensed locations, as of June 30, 2003.

### Examinations

During the 2002 calendar year, we conducted 132 examinations, or 11.6% of the licensed locations, resulting in refunds of \$451,458.99 to consumers. There had been 68, or 6% of licensed companies, examined as June 30, 2003. These examinations

resulted in refunds of \$16,171.96 to consumers of the state.

### Complaints

There were 209 complaints filed and resolved in the year 2002. These complaints covered a wide spectrum of issues pertaining to the mortgage industry. As a result of these complaints, consumers of the state were refunded a total of \$89,726.37. As of June 30, 2003, there had been 99 complaints filed. The amount of recovery for these consumers was \$17,392.19.

# Credit Union Division

The Credit Union Division is responsible for the supervision and examination of each state chartered credit union and Volunteer Corporate Credit Union. Credit union examiners perform safety and soundness examinations of each state chartered credit union and Volunteer Corporate Credit Union to determine compliance with governing laws and regulations. Credit union examiners perform evaluations of each credit union's assets, liabilities, income, and expenses in order to assess the solvency of the credit union. They also investigate consumer complaints involving credit unions.

The financial health of Tennessee's credit union industry remains strong. Collectively, the 132 natural person credit unions regulated by the Credit Union Division have assets of approximately \$5.3 billion, and assets grew by 8.9 percent during for the fiscal year ending June 30, 2003. Capitalization remains excellent, with net worth totaling 12.6 percent of assets. Despite the continued economic slowdown, delinquency and charge offs remain manageable, and the return on assets improved from 1.08 percent in 2002 to 1.13 percent in 2003. Individually, the institutions present a vast array of assets sizes, fields of membership, and services. From the \$1.2 billion Eastman Credit Union in Kingsport to the \$42 thousand Langston Bag Co. Employees Savings Association in Memphis, consumers across Tennessee continue to receive valuable service from safe and sound member-owned cooperatives.

Volunteer Corporate Credit Union continues to meet the financial service needs of the state's natural person credit unions (both state and federal). The \$1.2 billion corporate serves 232 member credit unions in Tennessee. Primary offerings include traditional correspondent services such as investments, item processing, and security safekeeping, as well as consulting services and web design.

The Credit Union Division conducts a voluntary survey at the conclusion of each examination to measure the overall efficiency and effectiveness of the examination and to determine the adequacy of communication skills. To ensure the confidentiality and the integrity of this process, data accumulation and summary reports are prepared by an independent third party. The results of the survey reveal that credit unions definitely or generally agree that the examination process continues to meet its goals.

The Credit Union Division remains accredited by the National Association of State Credit Union Supervisors (NASCUS). The NASCUS accreditation was re-certified during 2001 and is for a five-year period. Additionally, eligible division examiners and supervisors have met

the comprehensive criteria for NASCUS examination certifications. This Certification Program provides recognition to superior state credit union examiners and encourages continued professional development through the certification's required continuing education hours.

In summary, our state-chartered credit unions are healthy. They are solid and well operated financial institutions which are insured by the NCUSIF. Tennessee credit union performance for the coming year should remain satisfactory.



# Credit Union Division

## New Charters And Corporate Reorganizations 2001

### Credit Union Mergers

DATE OF MERGER	NAME OF INSTITUTION
1-3-01	Weavexx Credit Union merged into Consumer Credit Union, Greeneville, Tennessee
1-4-01	Goldsmith's Employees Credit Union merged into New Horizons Credit Union
2-28-01	Ranally Federal Credit Union (a federal credit union) merged into U.S. Courthouse Credit Union, Nashville, Tennessee
4-3-01	United Credit Union merged into Kingsport Press Credit Union, Kingsport, Tennessee
4-23-01	Tennessee Workers Credit Union merged into Tennessee Telco Credit Union, Nashville, Tennessee
7-2-01	Wallace Hardware Employees Credit Union merged into Lowland Credit Union, Morristown, Tennessee
7-2-01	Members First Credit Union merged into Consumer Credit Union, Greeneville, Tennessee
7-31-01	Professional Teachers' Credit Union merged into Beacon Federal, East Syracuse, New York
12-31-01	Bristol Tennessee Teachers Credit Union merged into Sullivan County Employees Credit Union, Blountville, Tennessee
12-31-01	Blazer Credit Union merged into American Uniform Credit Union, Cleveland, Tennessee

### Credit Union Name Changes

DATE OF CHANGE	NAME OF INSTITUTION
2-7-01	Dobbs Employees' Savings Association Credit Union changed its name to Gate Gourmet Employees' Credit Union
2-7-01	Free Press Credit Union changed its name to Times Free Press Credit Union
5-30-01	Tennessee Telco Credit Union changed its name to Southeast Financial Credit Union



# Credit Union Division

## New Charters And Corporate Reorganizations 2002

### Credit Union Mergers

DATE OF MERGER	NAME OF INSTITUTION
3-25-02	Aladdin Employees' Credit Union merged into Southeast Financial Credit Union, Nashville, Tennessee
5-1-02	Saints Credit Union of Memphis merged into Tenet Federal Credit Union, California
5-29-02	CECO Employees Credit Union merged in Leaders Credit Union, Jackson, Tennessee.
8-27-02	APCO Credit Union merged in League Central Credit Union, Chattanooga, Tennessee.
2-28-03	Pl.A.S. Credit Union merged into McQuiddy Credit Union, Nashville, Tennessee.
4-03	Kaydon 6-G Federal Credit Union merged into Consumer Credit Union, Greeneville, Tennessee.
5-20-03	Inland Container Employees Credit Union merged into Happy Valley Credit Union, Elizabethton, Tennessee.

### Credit Union Name Changes

DATE OF CHANGE	NAME OF INSTITUTION
3-15-02	Southern Railway Employees Credit Union changed its name to Southern Credit Union, Chattanooga, Tennessee.
5-14-02	Employees' Credit Association changed its name to Employees Credit Union, Nashville, Tennessee.
10-14-02	Willis Corroon Credit Union changed its name to Willis Credit Union, Nashville, Tennessee.
1-24-03	Maury Educators' Credit Union changed its name to Maury Educators' Community Credit Union.

### Credit Union Name Changes

DATE OF CHANGE	NAME OF INSTITUTION
12-9-02	Maury Educators' Credit Union, Columbia, Tennessee converted from a multi-occupational/associational field of membership to a community field of membership.
2-3-03	Fulton Credit Union, Knoxville, Tennessee converted from a multi-occupational/associational field of membership to a community-based field of membership.
4-30-03	Northeast Community Credit Union, Elizabethton, Tennessee expanded from a single county community-based field of membership to a multi-city community-based field of membership.

# Credit Union Division (cont.)

## Key Ratios For Tennessee State-Chartered Credit Unions

Ratio Description	June 2002	June 2003
Capital Adequacy:		
Net Worth/Total Assets	12.54	12.56
Total Delinquent Loans/Net Worth	2.84	2.72
Solvency Evaluation (Estimated)	115.36	115.46
Classified Assets (Estimated)/Net Worth	4.04	3.71
Asset Quality:		
Delinquent Loans/Total Loans	0.59	0.59
Net Charge-Offs/Avg Loans	0.43	0.41
Fair (Market) Value/Book Value (HTM invests)	100.42	103.23
Accum Unreal G-L On AFS/CST of Invest AFS	1.78	1.27
Delinquent Loans/Assets	0.36	0.34
Earnings:		
Return on Average Assets	1.08	1.13
Gross Income/Average Assets	7.03	6.29
Yield On Average Loans	7.89	7.28
Yield On Average Investments	3.56	2.70
Cost of Funds/Avg Assets	2.29	1.74
Net Margin/Avg Assets	4.73	4.55
Operating Exp/Avg Assets	3.36	3.29
Provision For Loan Losses/Avg Assets	0.32	0.23
Net Interest Margin/Avg Assets	3.80	3.52
Operating Exp/Gross Income	47.77	52.28
Fixed Assets & Oreos/Total Assets	2.00	2.05
Net Operating Exp/Avg Assets	2.72	2.61
Asset/Liability Management:		
Net Long-Term Assets/Total Assets	24.16	27.21
Reg Shares/Total Shares & Borrowings	29.81	30.67
Total Loans/Total Shares	73.25	70.60
Total Loans/Total Assets	60.79	58.02
Cash + Short-Term Investments/Assets	21.90	22.49
Total Shr, Dep. & Borrowows/Earning Assets	90.15	90.25
Reg Shares+Share Drafts/Total Shares&Borrowings	40.03	40.54
Borrowings/Total Shares & Net Worth	3.46	4.38
Other Ratios:		
Net Worth Growth	8.54	9.17
Market (Share) Growth	10.11	12.02
Loan Growth	2.21	6.93
Asset Growth	11.52	11.51
Investment Growth	31.20	20.80

# Credit Union Division (cont.)

## Key Ratios For Tennessee Federal-Chartered Credit Unions

Ratio Description	June 2002	June 2003
Capital Adequacy:		
NetWorth/Total Assets	12.08	12.30
Total Delinquent Loans/NetWorth	2.73	2.59
Solvency Evaluation (Estimated)	114.15	114.55
Classified Assets (Est)/NetWorth	2.98	2.78
Asset Quality:		
Delinquent Loans/Total Loans	0.56	0.56
Net Charge-Offs/Avg Loans	0.41	0.45
Fair (Market) Value/Book Value (HTM invests)	100.72	101.45
Accum Unreal G-L On AFS/CST of Invest AFS	1.50	1.44
Delinquent Loans/Assets	0.33	0.32
Earnings:		
Return on Average Assets	1.14	1.10
Gross Income/Average Assets	6.74	6.24
Yield On Average Loans	7.58	7.22
Yield On Average Investments	3.60	2.69
Cost of Funds/Avg Assets	2.24	1.64
Net Margin/Avg Assets	4.50	4.61
Operating Exp/Avg Assets	3.12	3.30
Provision For Loan & Lease Losses/Avg Assets	0.26	0.26
Net Interest Margin/Avg Assets	3.58	3.54
Operating Exp/Gross Income	46.25	52.82
Fixed Assets & Oreos/Total Assets	2.02	2.13
Net Operation Exp/Avg Assets	2.48	2.56
Asset/Liability Management:		
Net Long-Term Assets/Total Assets	25.68	22.01
Reg Shares/Total Shares & Borrowings	39.69	39.61
Total Loans/Total Shares	68.52	66.53
Total Loans/Total Assets	59.40	57.12
Cash + Short-Term Investments/Assets	19.80	21.47
Total Shr, Dep. & Borrows/Earning Assets	91.91	91.95
Reg Shares+Share Drafts/Total Shares&Borrowings	51.38	52.10
Borrowings/Total Shares & NetWorth	0.46	0.81
Other Ratios:		
NetWorth Growth	8.95	21.85
Market (Share) Growth	11.00	21.70
Loan Growth	3.16	13.96
Asset Growth	10.96	22.07
Investment Growth	24.60	34.08

# Credit Union Division (cont.)

## State-Chartered Credit Unions - Consolidated Balance Sheet

Assets	June 2002	June 2003	% Change
<b>CASH:</b>			
Cash On Hand	56,100,203	60,133,435	7.2
Cash On Deposit	469,799,062	546,279,223	16.3
Cash Equivalents	114,034,524	105,212,140	-7.7
<b>TOTAL CASH</b>	<b>639,933,789</b>	<b>711,624,798</b>	<b>11.2</b>
<b>INVESTMENTS:</b>			
U.S. Govt. Obligations	29,086,483	34,807,425	19.7
Federal Agency Sec.	655,599,374	798,524,631	21.8
All Mutual Funds	7,392,578	23,041,503	211.7
Membership Capital and Paid In Capital In Corporate CU's	21,432,622	23,886,523	11.4
Corporate Credit Union Certificates of Deposit	124,579,066	112,523,447	-9.7
Banks and S&Ls Certificates of Deposit	266,250,748	326,762,323	22.7
Deposits In And Loans To Other Credit Unions	3,283,744	3,681,403	12.1
All Other Investments	24,355,857	36,826,029	51.2
<b>TOTAL INVESTMENTS</b>	<b>1,131,980,472</b>	<b>1,360,053,283</b>	<b>20.1</b>
<b>LOANS HELD FOR SALE</b>	<b>1,562,400</b>	<b>2,436,627</b>	<b>56.0</b>
<b>LOANS AND LEASES:</b>			
Unsecured Credit Card Loans	124,836,937	126,716,216	1.5
All Other Unsecured Loans	243,181,110	232,481,069	-4.4
New Auto Loans	506,523,691	478,597,353	-5.5
Used Auto Loans	683,625,658	734,959,953	7.5
First Mortgage Real Estate Loans	1,033,239,731	1,110,939,230	7.5
Other Real Estate Loans	264,174,068	272,910,443	3.3
Leases Receivable	3,592,409	2,214,153	-38.4
Other Member Loans	125,638,934	141,815,641	12.9
<b>TOTAL LOANS</b>	<b>2,984,812,538</b>	<b>3,100,634,058</b>	<b>3.9</b>
<b>ALLOWANCE FOR LOAN &amp; LEASE LOSSES</b>	<b>24,896,995</b>	<b>24,890,633</b>	<b>0.0</b>
Other Real Estate Owned	814,122	1,336,661	64.2
Land and Building (Net of Depreciation)	78,791,853	86,738,164	10.1
Other Fixed Assets	18,618,518	21,423,407	15.1
Share Insurance Capitalization Deposit	35,524,658	37,840,045	6.5
Other Assets	42,677,005	47,294,504	10.8
<b>TOTAL ASSETS</b>	<b>4,909,818,360</b>	<b>5,344,490,914</b>	<b>8.9</b>
<b>TOTAL CU's</b>	<b>136</b>	<b>132</b>	<b>-2.9</b>

NOTE: Data excludes Volunteer Corporate Credit Union. This state-chartered entity serves as a liquidity center and service provider for approximately 250 state and federal chartered credit unions. As of June 30, 2003, Volunteer Corporate has assets totaling \$1,277,536,198.

# Credit Union Division (cont.)

## State-Chartered Credit Unions - Consolidated Balance Sheet

Liabilities, Shares, and Equity	June 2002	June 2003	% Change
<b>LIABILITIES:</b>			
Promissory And Other Notes Pay	162,328,656	221,453,391	36.4
Reverse Repo Agreement	0	0	
Subordinated CDCU Debt	0	0	
Uninsured Second Capital	100,000	100,000	0.0
Dividends and Interest Payable	8,718,557	7,664,824	-12.1
Acct. Payable & Liabilities	37,983,380	44,383,279	16.8
<b>TOTAL LIABILITIES</b>	<b>209,130,593</b>	<b>273,601,494</b>	<b>30.8</b>
<b>SAVINGS/DEPOSITS:</b>			
Share Drafts	432,975,480	455,157,730	5.1
Regular Shares	1,263,132,388	1,414,997,942	12.0
Money Market Shares	736,464,331	846,144,403	14.9
Share Certificates	1,165,555,077	1,163,190,627	-0.2
IRA / KEOGH Accounts	363,898,317	388,348,426	6.7
All Other Shares	108,448,914	112,078,320	3.3
Non-Member Deposits	4,559,323	12,053,186	164.4
<b>TOTAL SAVINGS/DEPOSITS</b>	<b>4,075,033,831</b>	<b>4,391,970,632</b>	<b>7.8</b>
<b>EQUITY:</b>			
Undivided Earnings	343,658,175	442,540,865	28.8
Regular Reserves	185,522,157	188,835,598	1.8
Approp. For Non-Conforming Investment	1,000	0	-100.0
Other Reserves	77,903,059	29,426,341	-62.2
Miscellaneous Equity	18,037	18,037	0.0
Unrealized G/L A-F-S Securities	9,664,827	7,484,528	-22.6
Other Comprehensive Income	0	-800	
Net Income	8,886,681	10,614,219	19.44
<b>EQUITY TOTAL</b>	<b>625,653,936</b>	<b>678,918,788</b>	<b>8.51</b>
<b>TOTAL SAVINGS/EQUITY</b>	<b>4,700,687,767</b>	<b>5,070,889,420</b>	<b>7.88</b>
<b>TOTAL LIAB/SAVINGS/EQUITY</b>	<b>4,909,818,360</b>	<b>5,344,490,914</b>	<b>8.9</b>
<b>NCUA INSURED SAVINGS:</b>			
Uninsured Shares	320,707,940	396,147,686	23.5
Uninsured Non-Member Deposits	1,140,040	689,736	-39.5
Total Uninsured Shares & Deposits	321,847,980	396,837,422	23.3
Insured Shares & Deposits	3,753,185,851	3,995,133,210	6.4



# Credit Union Division (cont.)

## State-Chartered Credit Unions - Consolidated Income Statement

Income And Expense	June 2002 *	June 2003 *	% Change
<b>INTEREST INCOME:</b>			
Interest on Loans	234,210,302	222,022,980	-5.2
Less Interest Refund	61,978	127,146	105.1
Income from Investments	56,923,276	51,730,652	-9.1
Income from Trading	0	0	
<b>TOTAL INTEREST INCOME</b>	<b>291,071,600</b>	<b>273,626,486</b>	<b>-6.0</b>
<b>INTEREST EXPENSE:</b>			
Dividends	55,660,942	41,742,198	-25.0
Interest on Deposits	46,803,250	39,034,962	-16.6
Interest on Borrowed Money	7,137,586	9,821,992	37.6
<b>TOTAL INTEREST EXPENSE</b>	<b>109,601,778</b>	<b>90,599,152</b>	<b>-17.3</b>
Provision for Loan & Lease Losses	15,295,030	12,069,438	-21.1
<b>NET INTEREST INCOME AFTER PLL</b>	<b>166,174,792</b>	<b>170,957,896</b>	<b>2.9</b>
<b>NON-INTEREST INCOME:</b>			
Fee Income	30,418,938	35,445,934	16.5
Other Operating Income	14,183,814	17,935,744	26.5
Gain (Loss) on Investments	890,030	3,162,202	255.3
Gain (Loss) on Disp of Assets	-38,566	-3,502	90.9
Other Non-Operating Income/Expense	205,936	2,160,196	949.0
<b>TOTAL NON-INTEREST INCOME</b>	<b>45,660,152</b>	<b>58,700,574</b>	<b>28.6</b>
<b>NON-INTEREST EXPENSE</b>			
Employee Compensation & Benefits	82,604,604	88,923,292	7.6
Travel, Conference Expense	2,739,264	2,748,650	0.3
Office Occupancy	10,767,002	11,020,364	2.4
Office Operation Expense	35,114,562	35,812,916	2.0
Educational and Promotion	4,092,952	4,934,326	20.6
Loan Servicing Expense	6,621,286	7,101,346	7.3
Professional, Outside Service	11,047,032	12,818,526	16.0
Member Insurance	2,085,642	2,148,130	3.0
Operating Fees	1,655,448	1,695,872	2.4
Misc Operating Expense	3,631,656	3,762,078	3.6
<b>TOTAL NON-INTEREST EXPENSE</b>	<b>160,359,448</b>	<b>170,965,500</b>	<b>6.6</b>
<b>NET INCOME</b>	<b>51,475,496</b>	<b>58,692,970</b>	<b>14.0</b>
<b>RESERVE TRANSFERS:</b>			
Transfer to Regular Reserve	<b>2,741,254</b>	<b>5,799,464</b>	<b>111.6</b>

\*Income and expense data for June 30, 2002 and June 30, 2003 has been annualized.

# Credit Union Division (cont.)

## Federal-Chartered Credit Unions - Consolidated Balance Sheet

Assets	June 2002	June 2003	% Change
Cash On Hand	84,013,916	96,022,294	14.3
Cash On Deposit	375,155,810	499,976,479	33.3
Cash Equivalents	98,727,791	106,430,318	7.8
<b>TOTAL CASH</b>	<b>557,897,517</b>	<b>702,429,091</b>	<b>25.9</b>
<b>INVESTMENTS:</b>			
U.S. Govt. Obligations	14,644,308	17,882,259	22.1
Federal Agency Sec.	686,917,018	784,154,596	14.2
All Mutual Funds	14,595,286	14,504,080	-0.6
Membership Capital and Paid In Capital In Corporate CU's	18,761,517	20,921,674	11.5
Corporate Credit Union Certificates of Deposit	87,527,561	70,552,732	-19.4
Banks and S&Ls Certificates of Deposit	214,140,840	267,691,264	25.0
Deposits In And Loans To Other Credit Unions	11,459,250	6,603,758	-42.4
All Other Investments	31,389,850	36,237,161	15.4
<b>TOTAL INVESTMENTS</b>	<b>1,079,435,631</b>	<b>1,218,547,523</b>	<b>12.9</b>
<b>LOANS HELD FOR SALE</b>	<b>665,450</b>	<b>11,283,026</b>	<b>1595.5</b>
<b>LOANS AND LEASES:</b>			
Unsecured Credit Card Loans	138,253,291	143,541,256	3.8
All Other Unsecured Loans	214,075,183	203,259,052	-5.1
New Auto Loans	477,657,990	503,724,208	5.5
Used Auto Loans	554,565,313	624,729,262	12.7
First Mortgage Real Estate Loans	901,813,123	995,129,772	10.3
Other Real Estate Loans	224,426,795	234,492,455	4.5
Leases Receivable	889,790	588,559	-33.9
Other Member Loans	93,201,195	102,157,054	9.6
<b>TOTAL LOANS</b>	<b>2,604,882,680</b>	<b>2,807,621,618</b>	<b>7.8</b>
<b>ALLOWANCE FOR LOAN &amp; LEASE LOSSES</b>	<b>15794195</b>	<b>16798778</b>	<b>6.4</b>
Other Real Estate Owned	164,821	3,232,832	1861.4
Land and Building (Net of Depreciation)	70,959,772	78,589,565	10.8
Other Fixed Assets	17,516,139	22,947,463	31.0
Share Insurance Capitalization Deposit	33,590,665	36,936,976	10.0
Other Assets	36,325,917	50,132,157	38.0
<b>TOTAL ASSETS</b>	<b>4,385,644,397</b>	<b>4,914,921,473</b>	<b>12.1</b>
<b>TOTAL CU's</b>	<b>95</b>	<b>94</b>	<b>-1.1</b>

# Credit Union Division (cont.)

## Federal-Chartered Credit Unions - Consolidated Balance Sheet

Liabilities, Shares And Equity	June 2002	June 2003	% Change
<b>LIABILITIES:</b>			
Promissory And Other Notes Pay	19,817,789	39,237,913	98.0
Reverse Repo Agreement	0	0	
Subordinated CDCU Debt	0	0	
Uninsured Second Capital	0	0	
Dividends and Interest Payable	8,134,335	6,116,465	-24.8
Acct. Payable & Liabilities	17,854,774	35,256,200	97.5
<b>TOTAL LIABILITIES</b>	<b>45,806,898</b>	<b>80,610,578</b>	<b>76.0</b>
<b>SAVINGS/DEPOSITS:</b>			
Share Drafts	446,792,908	531,859,546	19.0
Regular Shares	1,516,712,032	1,687,302,900	11.2
Money Market Shares	420,418,069	486,088,776	15.6
Share Certificates	980,818,257	1,039,653,364	6.0
IRA / KEOGH Accounts	395,279,338	430,129,392	8.8
All Other Shares	40,663,235	41,266,026	1.5
Non-Member Deposits	1,140,073	3,885,918	240.8
<b>TOTAL SAVINGS/DEPOSITS</b>	<b>3,801,823,913</b>	<b>4,220,185,929</b>	<b>11.0</b>
<b>EQUITY:</b>			
Undivided Earnings	330,518,949	397,729,379	20.3
Regular Reserves	118,011,131	122,393,641	3.7
Approp. For Non-Conforming Investment	0	0	
Other Reserves	71,101,577	75,275,378	5.9
Miscellaneous Equity	0	0	
Unrealized G/L A-F-S Securities	7,925,062	9,233,552	16.5
Other Comprehensive Income	0	0	
Net Income	10,550	0	-100.0
<b>EQUITY TOTAL</b>	<b>10,446,317</b>	<b>9,493,016</b>	<b>-9.1</b>
<b>TOTAL SAVINGS/EQUITY</b>	<b>4,339,837,499</b>	<b>4,834,310,895</b>	<b>11.4</b>
<b>TOTAL LIAB/SAVINGS/EQUITY</b>	<b>4,385,644,397</b>	<b>4,914,921,473</b>	<b>12.1</b>
<b>NCUA INSURED SAVINGS:</b>			
Uninsured Shares			
Uninsured Non-Member Deposits	232,097,368	294,389,110	26.8
Total Uninsured Shares & Deposits	756,487	1,211,453	60.1
Insured Shares & Deposits	232,853,855	295,600,563	26.9
	3,568,970,058	3,924,585,366	10.0

# Credit Union Division (cont.)

## Federal-Chartered Credit Unions - Consolidated Income Statement

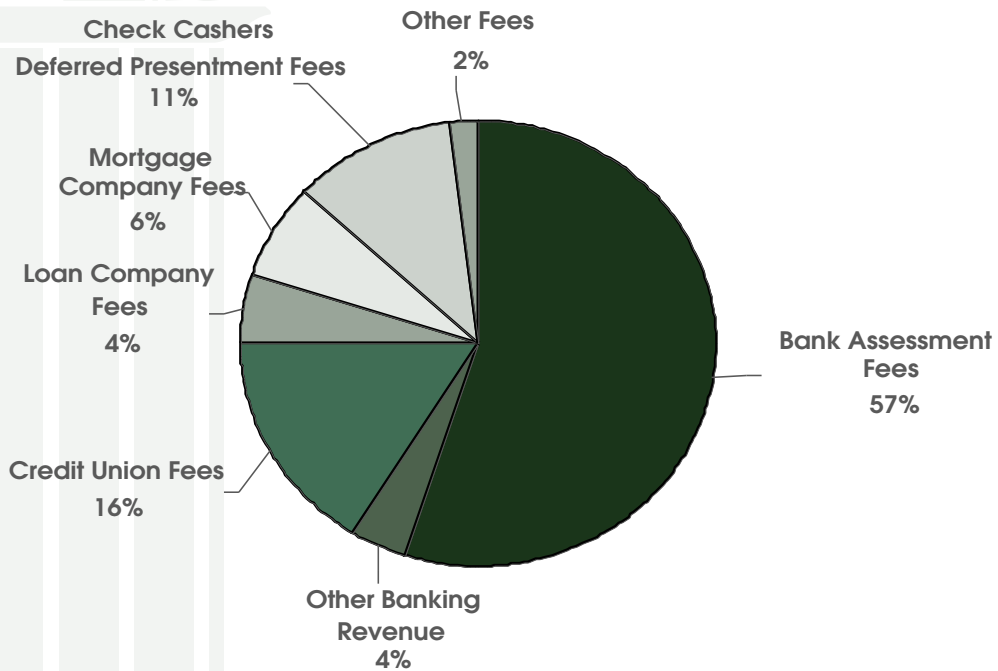
Income And Expense	June 2002 *	June 2003 *	% Change
<b>INTEREST INCOME:</b>			
Interest on Loans	195,832,122	196,219,898	0.2
Less Interest Refund	37,188	18,448	-50.4
Income from Investments	52,807,714	45,583,892	-13.7
Income from Trading	31,250	0	-100.0
<b>TOTAL INTEREST INCOME</b>	<b>248,633,898</b>	<b>241,785,342</b>	<b>-2.8</b>
<b>INTEREST EXPENSE:</b>			
Dividends	94,860,786	74,985,586	-21.0
Interest on Deposits	0	0	
Interest on Borrowed Money		1,391,216	59.7
<b>TOTAL INTEREST EXPENSE</b>	<b>95,731,708</b>	<b>76,376,802</b>	<b>-20.2</b>
Provision for Loan & Lease Losses	10,983,718	11,949,898	8.8
<b>NET INTEREST INCOME AFTER PLL</b>	<b>141,918,472</b>	<b>153,458,642</b>	<b>8.1</b>
<b>NON INTEREST INCOME:</b>			
Fee Income	27,207,376	34,374,986	26.3
Other Operating Income	11,929,022	15,506,042	30.0
Gain (Loss) on Investments	257,552	624,010	142.3
Gain (Loss) on Disp of Assets	-2,634	710,246	27064.5
Other Non-Oper Income/Expense	490,424	754,450	53.8
<b>TOTAL NON-INTEREST INCOME</b>	<b>39,881,740</b>	<b>51,969,734</b>	<b>30.3</b>
<b>NON-INTEREST EXPENSE:</b>			
Employee Comp & Benefits	66,284,444	76,267,060	15.1
Travel, Conference Expense	1,958,438	2,328,172	18.9
Office Occupancy	8,919,662	9,822,846	10.1
Office Operation Expense	27,426,456	32,594,104	18.8
Educational and Promotion	3,398,306	4,790,538	41.0
Loan Servicing Expense	4,678,466	5,372,208	14.8
Professional, Outside Service	14,596,174	16,569,394	13.5
Member Insurance	2,079,062	2,013,180	-3.2
Operating Fees	941,874	980,488	4.1
Misc Operating Expense	2,803,050	3,332,256	18.9
<b>TOTAL NON-INTEREST EXPENSE</b>	<b>133,085,932</b>	<b>154,070,246</b>	<b>15.8</b>
<b>NET INCOME:</b>	<b>48,714,280</b>	<b>51,358,130</b>	<b>5.4</b>
<b>RESERVE TRANSFERS:</b>			
Transfer to Regular Reserve	2,934,654	2,578,956	-12.1

\*Income and expense data for June 30, 2002 and June 30, 2003 has been annualized.

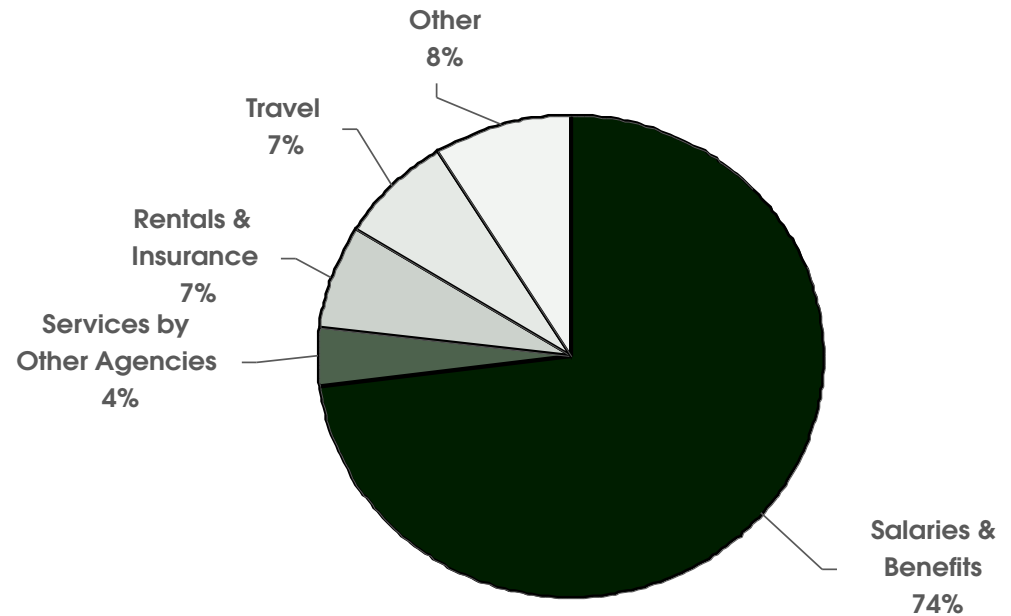
# Appendix I

## Administration Division Data

### Funding Sources (Fiscal Year 2001-2002)



### Expenditures (Fiscal Year 2001-2002)

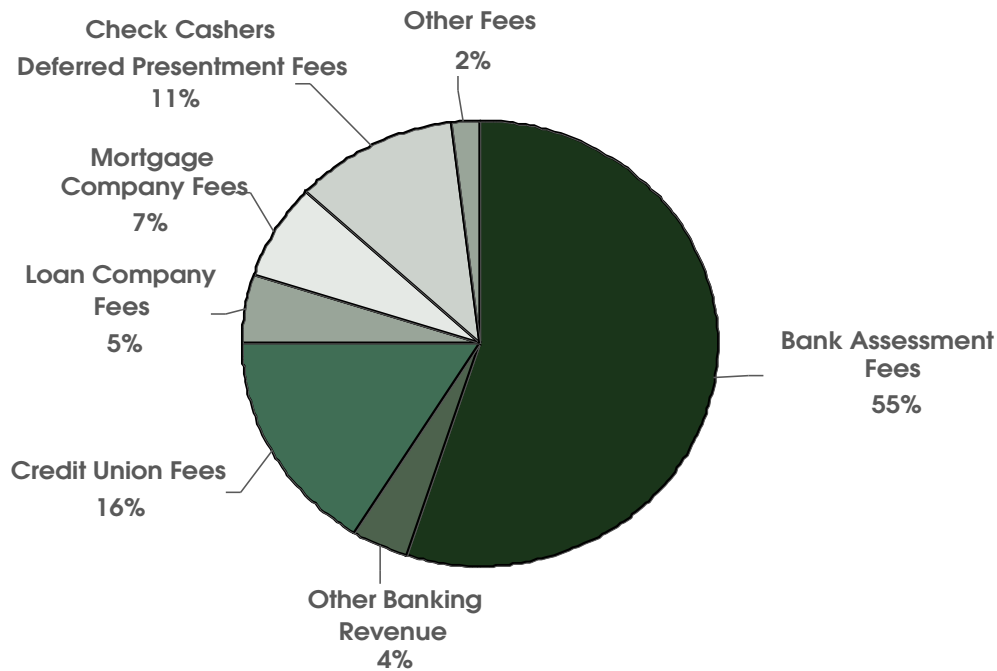




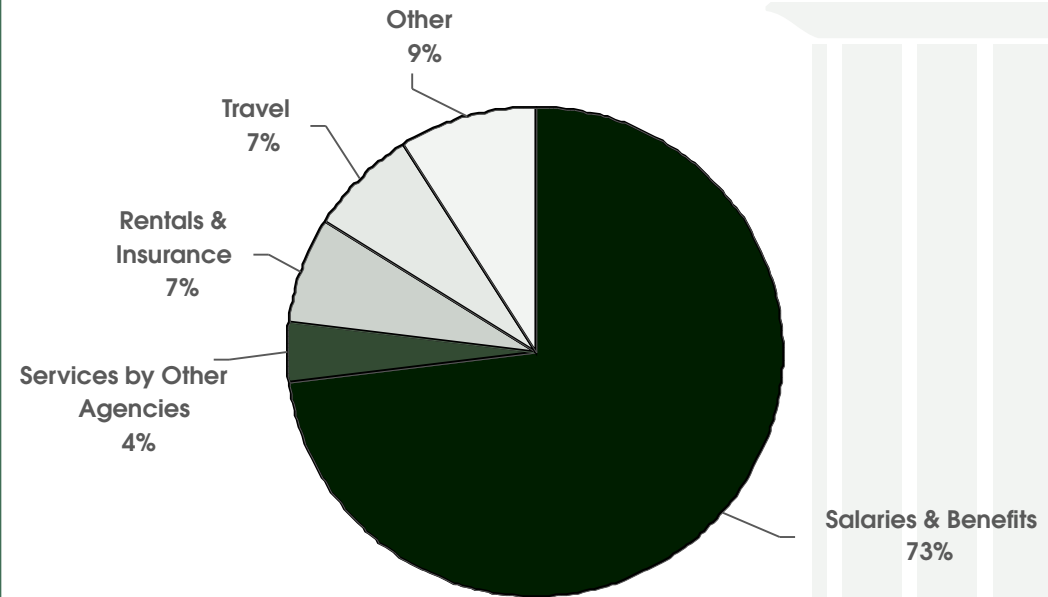
# Appendix I

## Administration Division Data

### Funding Sources (Fiscal Year 2002-2003)



### Expenditures (Fiscal Year 2002-2003)

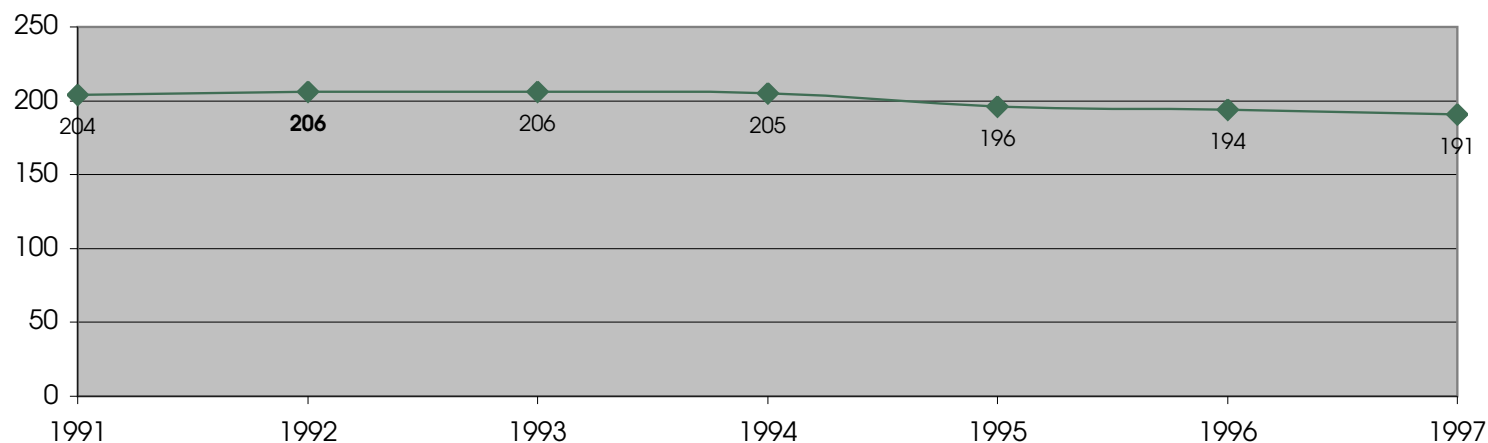


# Appendix II

## Bank Division Data

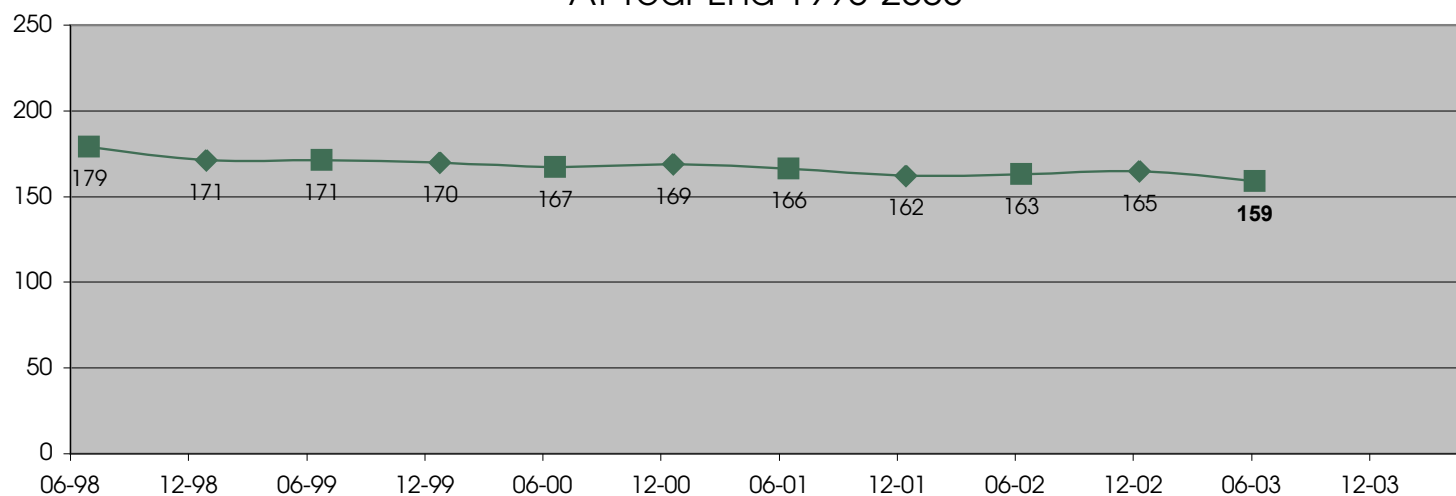
### NUMBER OF STATE-CHARTERED BANKS IN TENNESSEE

At Year-End 1991-1997



### NUMBER OF STATE-CHARTERED BANKS IN TENNESSEE

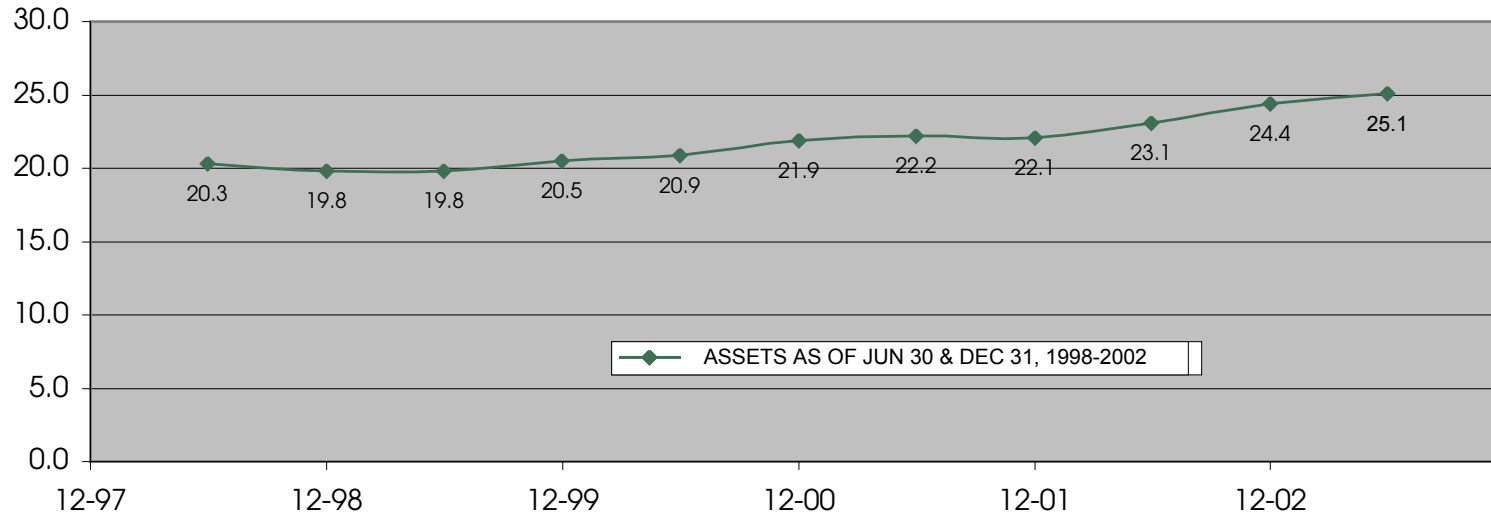
At Year-End 1998-2003



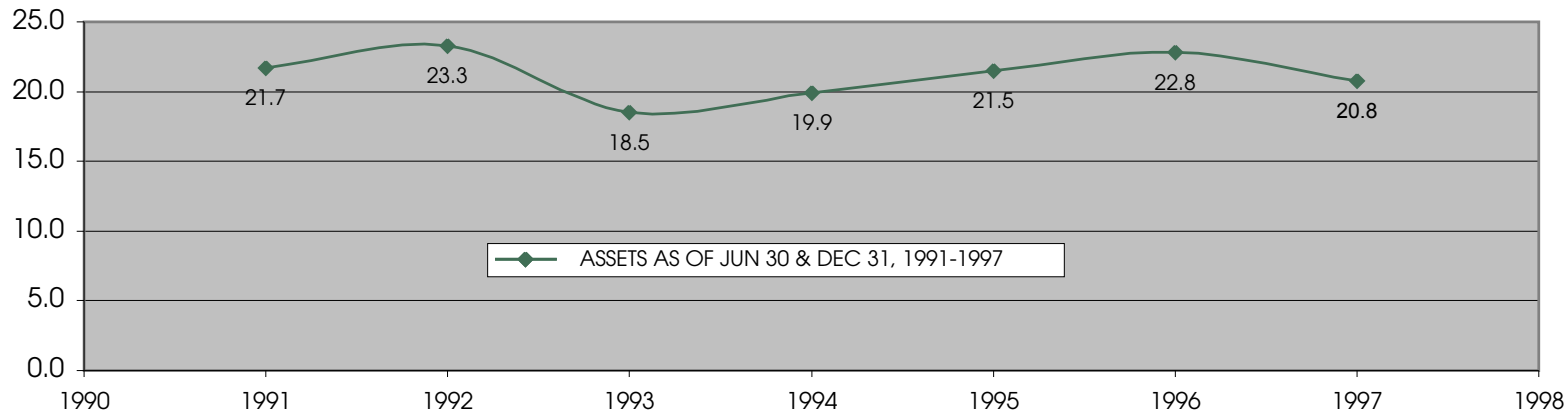
# Appendix III

## Bank Division Data

Assets Of State-chartered Banks In Tennessee  
(In Billions)



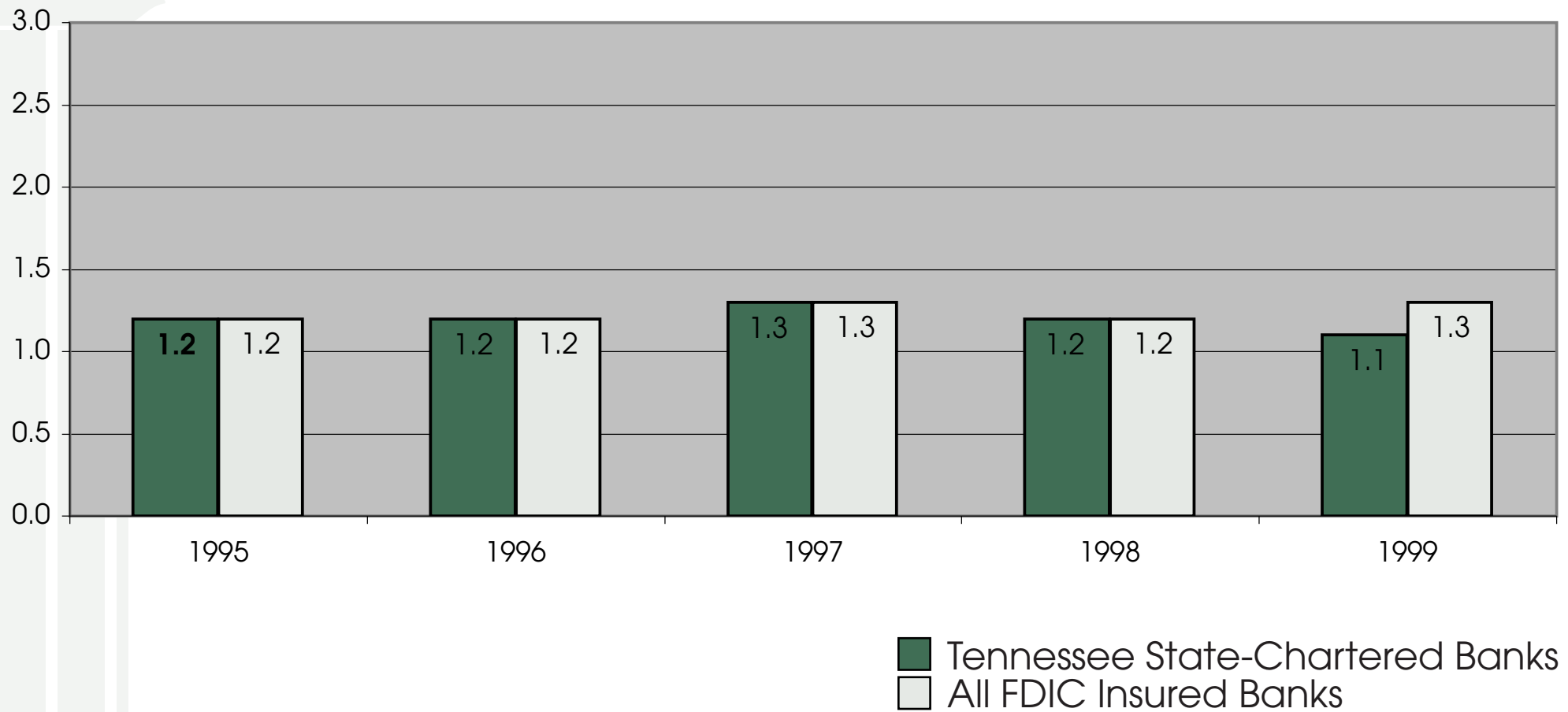
Assets Of State-chartered Banks In Tennessee  
(In Billions)



# Appendix IV a.

## Bank Division Data

Return On Assets  
(As Of Year-end 1995-1999)

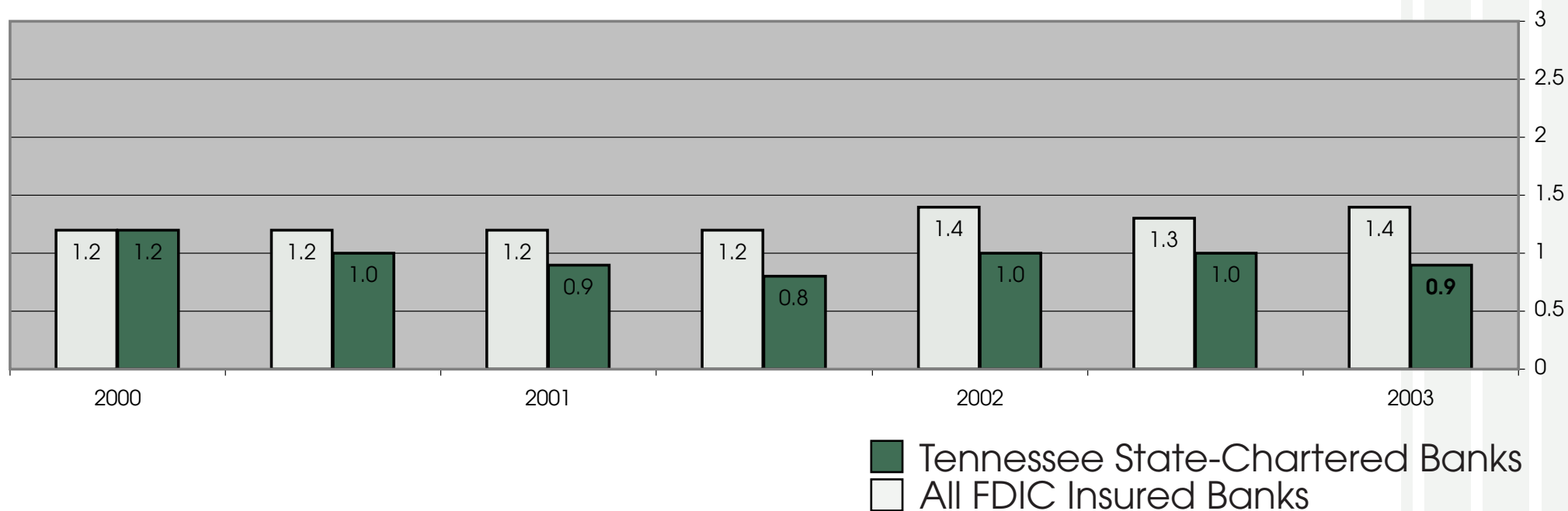


■ Tennessee State-Chartered Banks  
□ All FDIC Insured Banks

# Appendix IV b.

## Bank Division Data

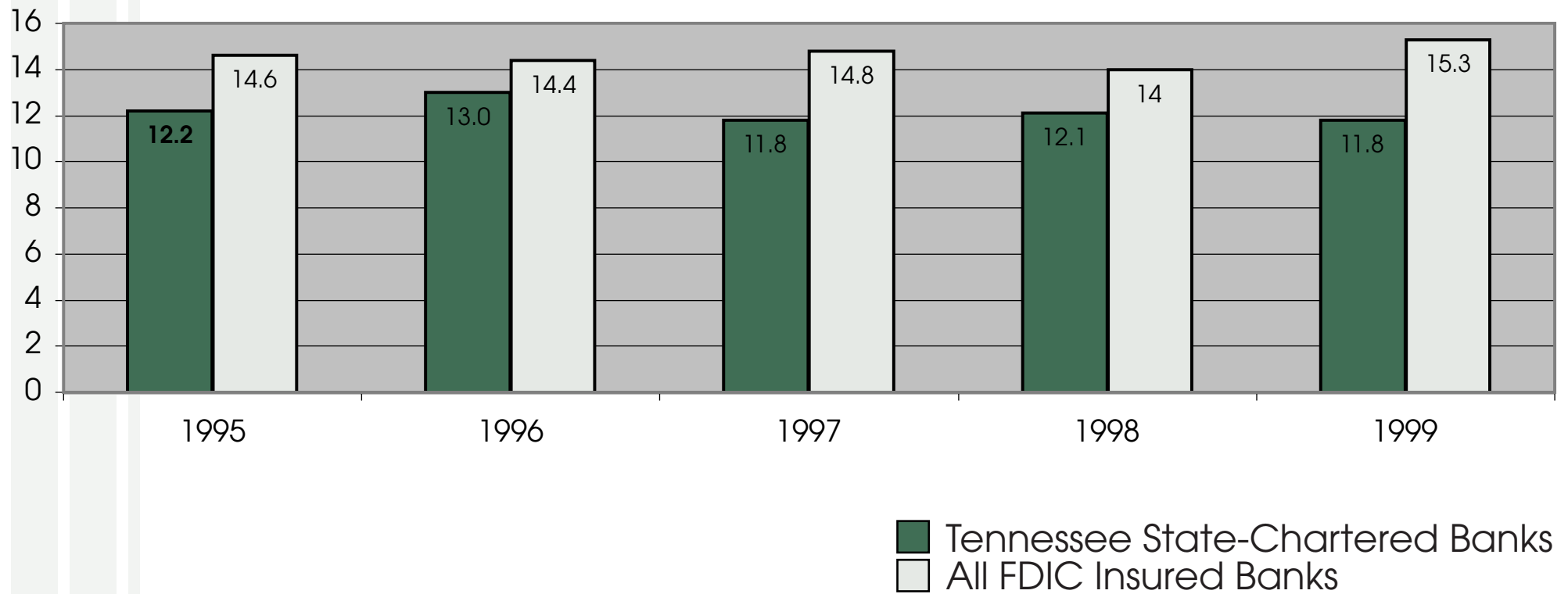
Return On Assests  
(As of June 30 and December 31, 2000-2003)



# Appendix IV c.

## Bank Division Data

Return On Equity  
(As Of Year-end 1995-1999)

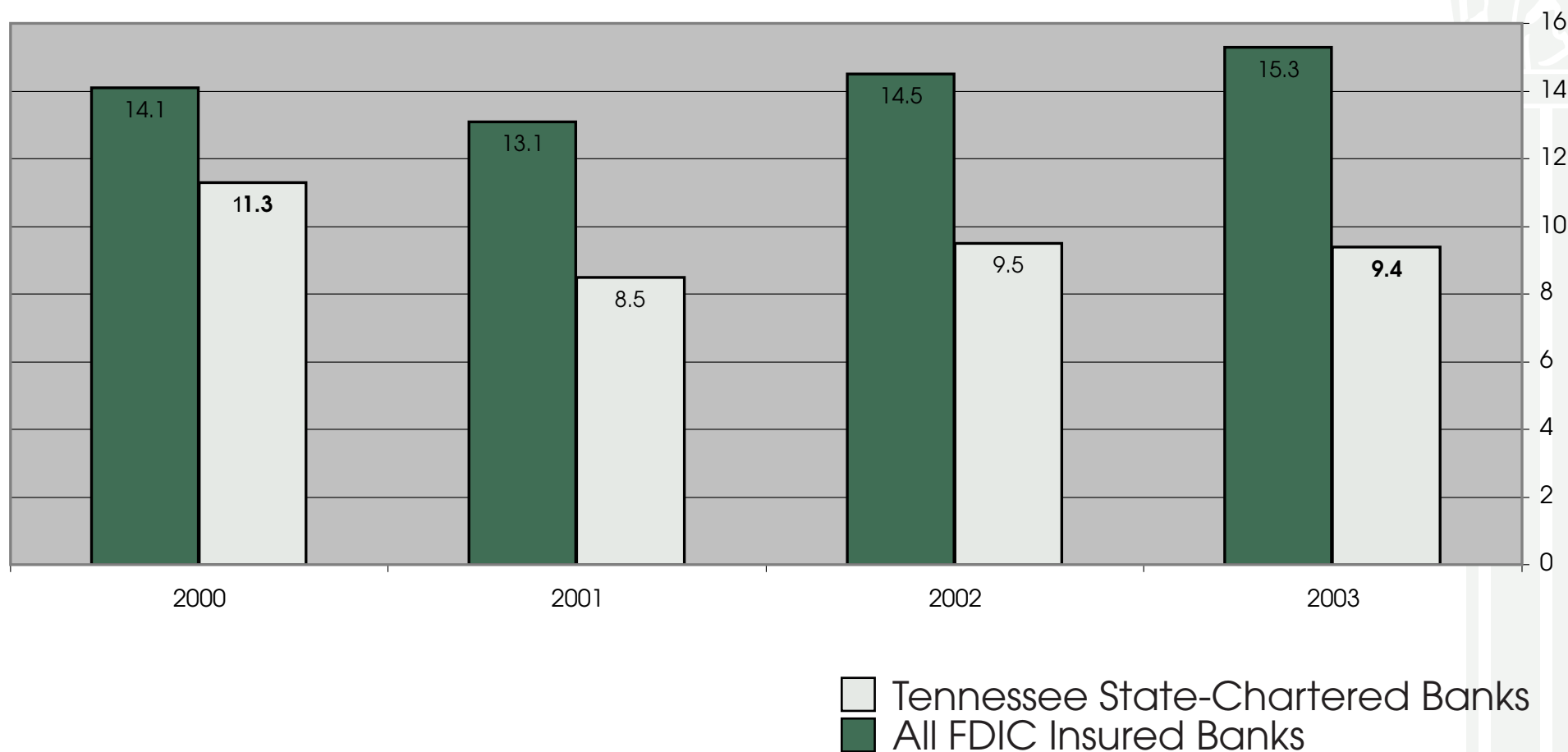




# Appendix IV d.

## Bank Division Data

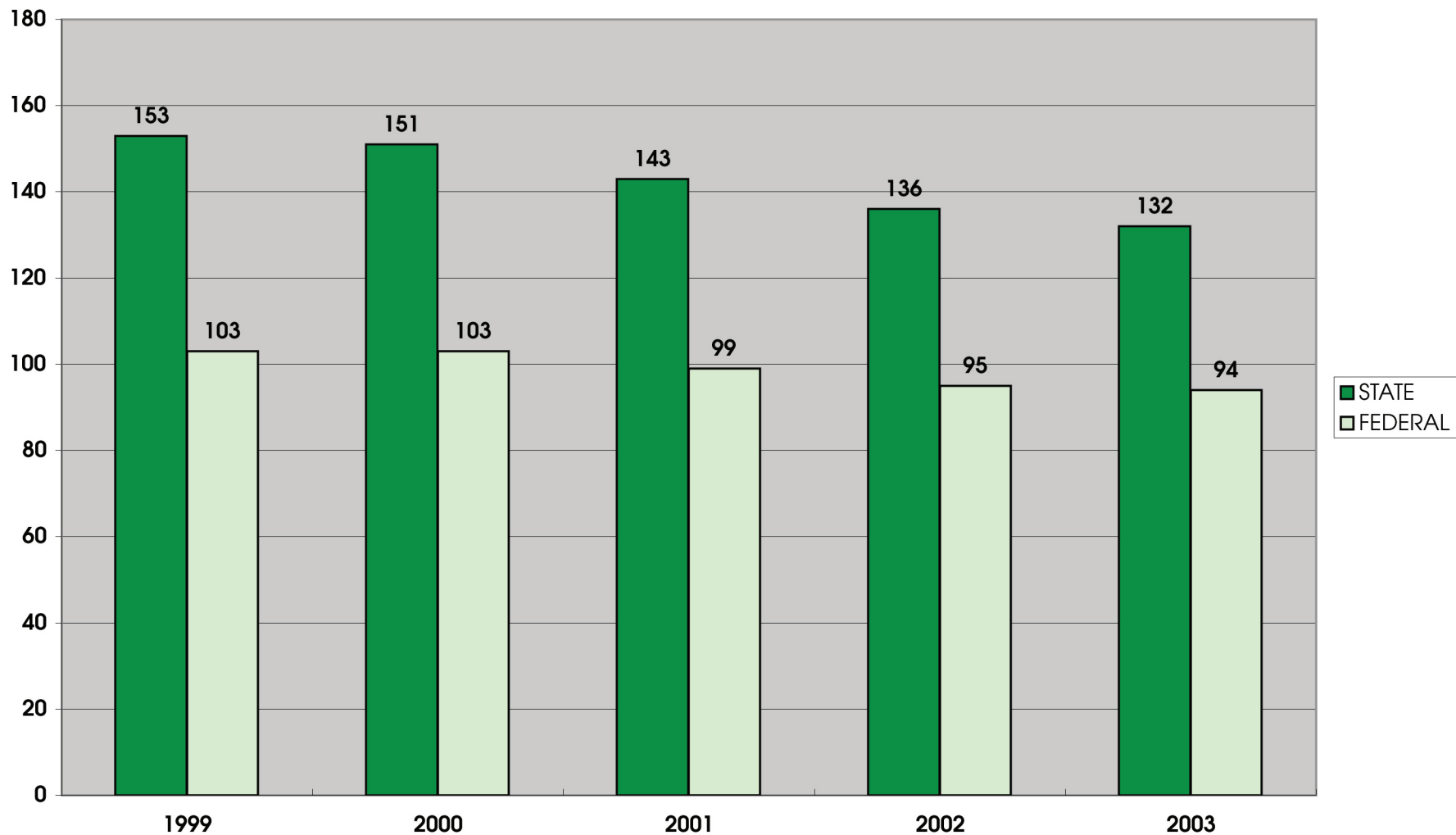
Return On Equity  
(As Of December 31, Except June 30, 2003)



# Appendix V a.

## Credit Union Division Data

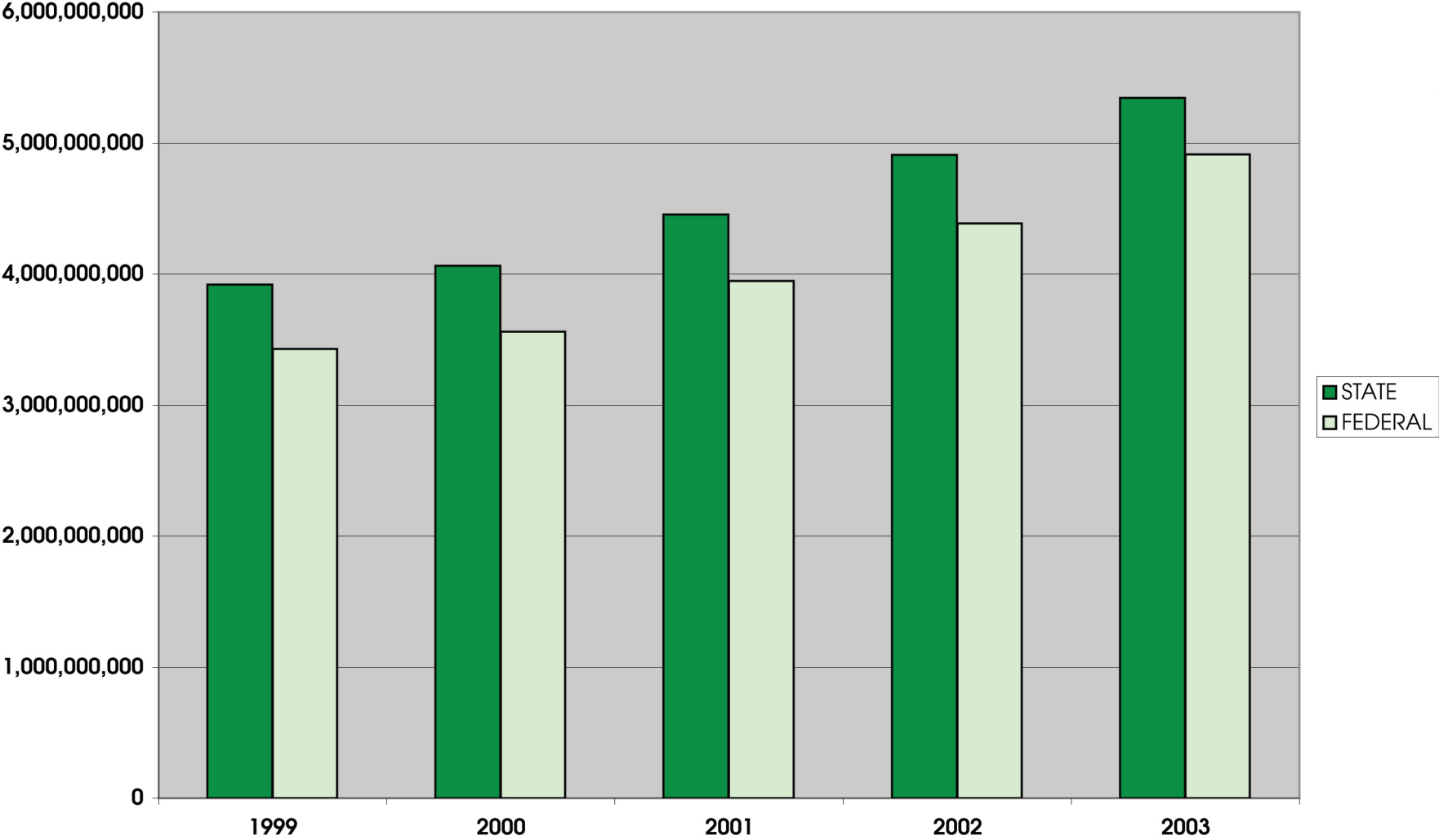
Number of Credit Unions In Tennessee  
(As of June 30 for each reporting period)



# Appendix V b.

## Credit Union Division Data

Credit Union Assets  
(As of June 30 for each reporting period)

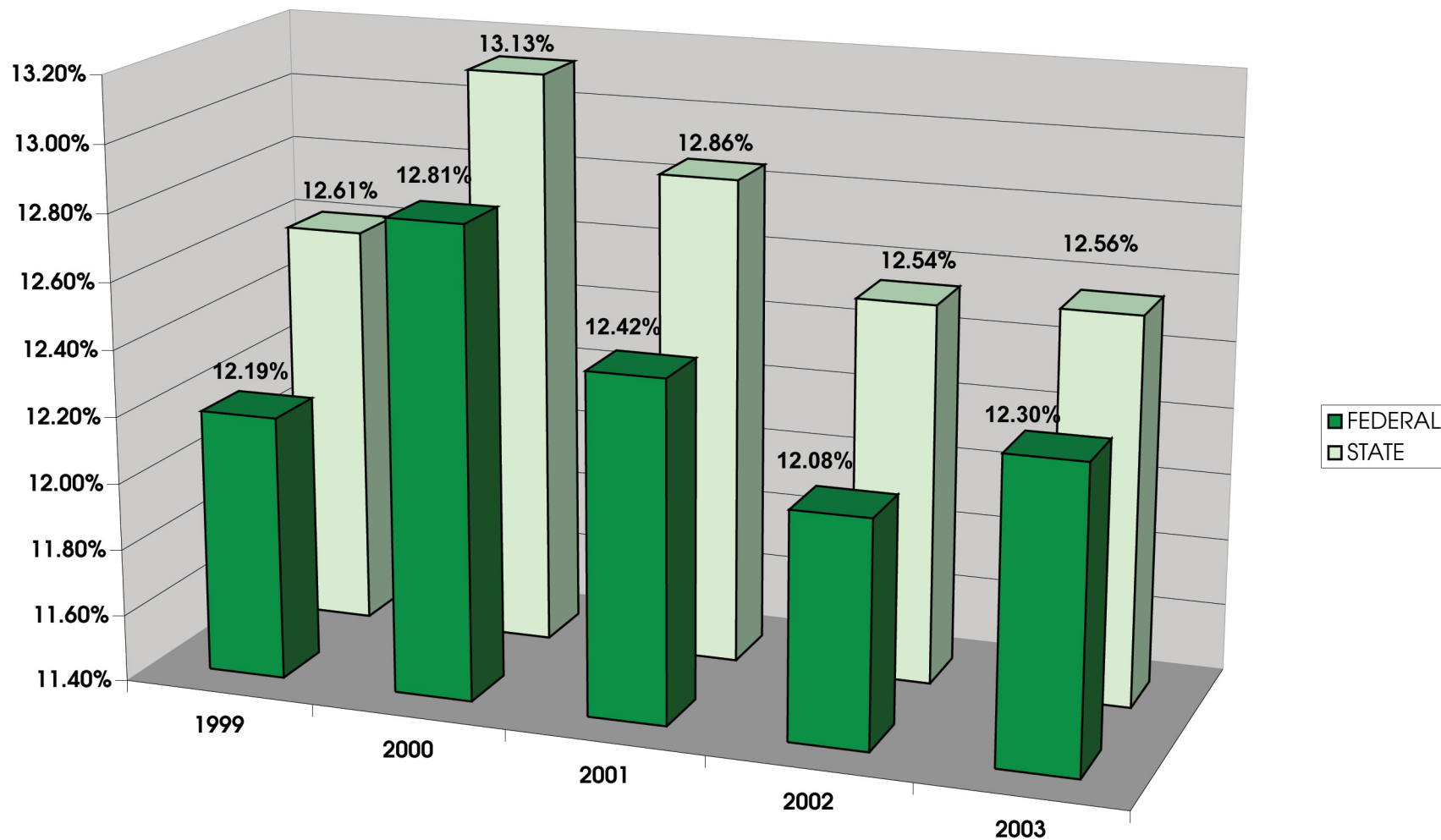


# Appendix V c.

## Credit Union Division Data

### Credit Union Net Worth Ratios

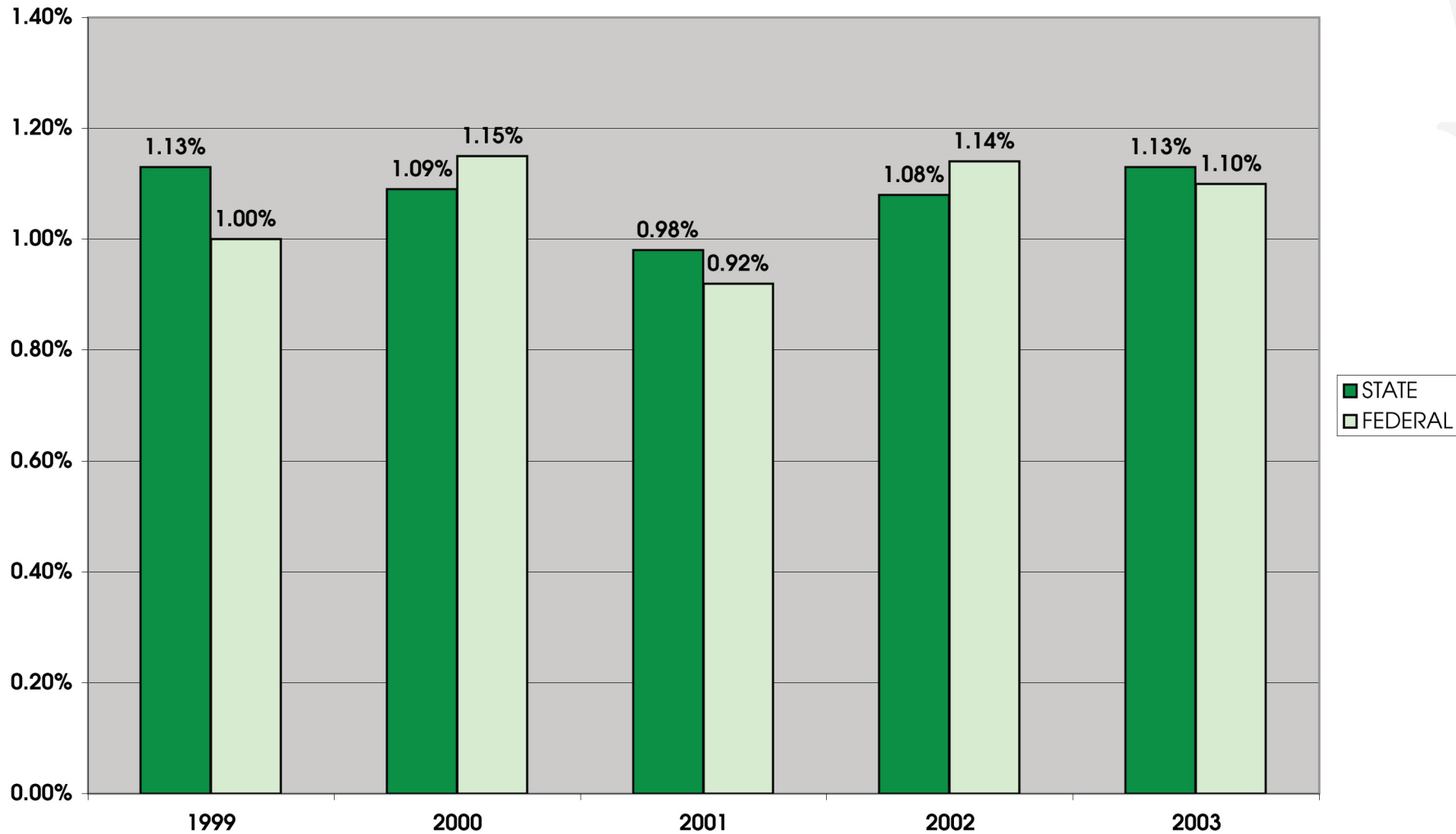
(As of June 30 for each reporting period)



# Appendix V d.

## Credit Union Division Data

Credit Union Return On Assets  
(Annualized as of June 30 for each reporting period)



# Appendix VI

## Directory of Tennessee State-Chartered Credit Unions (As Of June 30, 2003)

### **AFG Employees Credit Union**

Year Chartered: 1932  
P. O. Box 929  
Kingsport, TN 37662  
423-229-7332  
CEO/Manager: Marty Polson  
Full-Time Employees: 9  
Members: 3314  
Total Assets: \$15,014,232

### **A.U.B. Employees' Credit Union**

Year Chartered: 1965  
P. O. Box 689  
Athens, TN 37303  
423-745-4501  
CEO/Manager: Myrl Vaughn  
Full-Time Employees: 0  
Members: 225  
Total Assets: \$1,062,778

### **Allied Printers/IBEW 846 Credit Union**

Year Chartered: 1964  
1740 Dayton Boulevard  
Chattanooga, TN 37405  
423-267-7609  
CEO/Manager: Judy Maynor  
Full-Time Employees: 3  
Members: 1,362  
Total Assets: \$4,798,720

### **American Savings Credit Union**

Year Chartered: 1949  
3048 Harvester Lane  
Memphis, TN 38127  
901-358-4496  
CEO/Manager: William Kidd  
Full-Time Employees: 47  
Members: 23,609  
Total Assets: \$48,771,839

### **American Uniform Credit Union**

Year Chartered: 1956  
1007 Keith Street NW  
Cleveland, TN 37311  
423-472-2330  
CEO/Manager: Cheryl Inscore  
Full-Time Employees: 4  
Members: 2,177  
Total Assets: \$7,850,677

### **Appliance Credit Union**

Year Chartered: 1972  
P. O. Box 1057  
Cleveland, TN 37320  
423-479-5511  
CEO/Manager: Ramona Woody  
Full-Time Employees: 3  
Members: 2,160  
Total Assets: \$7,477,611

### **Aqua Glass Employees Credit Union**

Year Chartered: 1980  
320 Industrial Park  
Adamsville, TN 38310  
731-632-2518  
CEO/Manager: Frankie Finley  
Full-Time Employees: 1  
Members: 883  
Total Assets: \$1,063,552

### **Averitt Express Savings Association Credit Union**

Year Chartered: 1988  
P. O. Box 3166  
Cookeville, TN 38502-3166  
931-520-5164  
CEO/Manager: Gary Lee  
Full-Time Employees: 2  
Members: 4,609  
Total Assets: \$7,235,128

### **BCBST Employees Credit Union**

Year Chartered: 1971  
801 Pine Street  
Chattanooga, TN 37402  
423-755-5903  
CEO/Manager: Billie Armstrong  
Full-Time Employees: 3  
Members: 2,270  
Total Assets: \$6,280,650

### **Baptist Hospital Credit Union**

Year Chartered: 1958  
2010 Church Street, Suite 204  
Nashville, TN 37203  
615-284-5403  
CEO/Manager: Pam Tenpenny  
Full-Time Employees: 9  
Members: 3,839  
Total Assets: \$14,925,722

### **Bethlehem Community Development Credit Union**

Year Chartered: 1998  
P. O. Box 2131  
Chattanooga, TN 37309  
423-266-2384  
CEO/Manager: Denis Collins  
Full-Time Employees: 1  
Members: 609  
Total Assets: \$756,959

### **Blue Flame Credit Union**

Year Chartered: 1947  
665 Mainstream Drive  
Nashville, TN 37228  
615-734-1750  
CEO/Manager: Faye Kirby  
Full-Time Employee: 1  
Members: 622  
Total Assets: \$3,071,083

### **Bowater Employees Credit Union**

Year Chartered: 1954  
P. O. Box 359  
Calhoun, TN 37309  
423-336-7268  
CEO/Manager: Denley Hines  
Full-Time Employee: 24  
Members: 9,584  
Total Assets: \$98,442,526

### **Bradley Initiative Credit Union**

Year Chartered: 2003  
1075 Blythe Avenue SE  
Cleveland, TN 37311  
423-559-1181  
CEO/Manager: Denis Collins  
Full-Time Employees: 2  
Members: 305  
Total Assets: \$1,029,730

### **Bristol Tennessee Electric System Credit Union**

Year Chartered: 1971  
P. O. Box 549  
Bristol, TN 37621  
423-652-4539  
CEO/Manager: Brenda Phipps  
Full-Time Employees: 0  
Members: 267  
Total Assets: \$1,053,982

### **Brock Employees Credit Union**

Year Chartered: 1957  
P. O. Box 22427  
Chattanooga, TN 37422  
423-510-7234  
CEO/Manager: Connie Hamilton  
Full-Time Employees: 1  
Members: 426  
Total Assets: \$1,238,630

### **CEMC Employees Credit Union**

Year Chartered: 1959  
P. O. Box 3300  
Clarksville, TN 37043  
931-645-2481  
CEO/Manager: Lori Von Palko  
Full-Time Employees: 0  
Members: 551  
Total Assets: \$3,199,588

### **Carta Employees' Credit Union**

Year Chartered: 1942  
1617 Wilcox Boulevard  
Chattanooga, TN 37406  
423-622-8477  
CEO/Manager: Yvonne Elsea  
Full-Time Employees: 0  
Members: 394  
Total Assets: \$860,140

### **Chattanooga Federal Employees Credit Union**

Year Chartered: 1925  
P. O. Box 22205  
Chattanooga, TN 37422  
423-892-3738  
CEO/Manager: Mitchel Mullican  
Full-Time Employees: 8  
Members: 2,934  
Total Assets: \$28,546,270

### **City Employees Credit Union**

Year Chartered: 1954  
100 E 11th Street, 106 City Hall Annex  
Chattanooga, TN 37402  
423-757-5210  
CEO/Manager: Ralph Renegar  
Full-Time Employees: 6  
Members: 2,482  
Total Assets: \$8,672,349



# Appendix VI

## Directory of Tennessee State-Chartered Credit Unions (As Of June 30, 2003)

### **City Employees Credit Union**

Year Chartered: 1932  
1720 Western Avenue  
Knoxville, TN 37921  
865-824-7200  
CEO/Manager: Larry Pressley  
Full-Time Employees: 18  
Members: 6,519  
Total Assets: \$48,401,437

### **City of Memphis Credit Union**

Year Chartered: 1959  
2608 Avery Avenue  
Memphis, TN 38112  
901-321-1200  
CEO/Manager: Jerry Broxterman  
Full-Time Employees: 47  
Members: 17,594  
Total Assets: \$165,422,778

### **Collegedale Credit Union**

Year Chartered: 1952  
P. O. Box 2098  
Collegedale, TN 37315  
423-396-2101  
CEO/Manager: Randall White  
Full-Time Employees: 15  
Members: 5,767  
Total Assets: \$21,868,143

### **Columbia Regional Credit Union**

Year Chartered: 1967  
142 Bear Creek Pike  
Columbia, TN 38401  
931-388-6914  
CEO/Manager: Rebecca Jones  
Full-Time Employees: 5  
Members: 1,972  
Total Assets: \$9,751,126

### **Consumer Credit Union**

Year Chartered: 1953  
311 CCU Boulevard  
Greeneville, TN 37745  
423-639-6131  
CEO/Manager: Sam Miller  
Full-Time Employees: 40  
Members: 26,173  
Total Assets: \$129,322,204

### **Co-op Employees Credit Union**

Year Chartered: 1958  
P. O. Box 3003  
LaVergne, TN 37086  
615-793-8366  
CEO/Manager: Phyllis Hurt  
Full-Time Employees: 1  
Members: 995  
Total Assets: \$3,176,984

### **Covenant Health Credit Union**

Year Chartered: 1953  
702 19th Street  
Knoxville, TN 37916  
865-541-1239  
CEO/Manager: Rebecca Montgomery  
Full-Time Employees: 13  
Members: 6,498  
Total Assets: \$23,759,034

### **Credit Union for Robertson County**

Year Chartered: 1968  
2416 Memorial Boulevard  
Springfield, TN 37172  
615-382-8255  
CEO/Manager: Wanda Mason  
Full-Time Employees: 10  
Members: 3,973  
Total Assets: \$15,318,031

### **D.H.S. Credit Union**

Year Chartered: 1969  
400 Deaderick Street  
Nashville, TN 37248  
615-313-5585  
CEO/Manager: Sherrie Brooks  
Full-Time Employees: 5  
Members: 2,607  
Total Assets: \$8,427,673

### **D.O.T. Credit Union**

Year Chartered: 1971  
Suite 300, James K. Polk Building  
Nashville, TN 37243  
615/741-6340  
CEO/Manager: Diana Tolleson  
Full-Time Employees: 3  
Members: 2,076  
Total Assets: \$4,031,099

### **Dixie Line Credit Union**

Year Chartered: 1932  
567 Veritas Street  
Nashville, TN 37211  
615-331-5121  
CEO/Manager: Ron Crowl  
Full-Time Employees: 4  
Members: 1,311  
Total Assets: \$6,116,204

### **DREMCO Credit Union**

Year Chartered: 1958  
P. O. Box 89  
Shelbyville, TN 37160  
931-684-4621  
CEO/Manager: James Martin  
Full-Time Employees: 0  
Members: 473  
Total Assets: \$2,114,151

### **Dupont Community Credit Union**

Year Chartered: 1954  
P. O. Box 1058  
Hixson, TN 37343  
423-875-6955  
CEO/Manager: Kendall Foster  
Full-Time Employees: 29  
Members: 14,612  
Total Assets: \$66,444,236

### **DuPont Memphis Plant Employees Credit Union**

Year Chartered: 1967  
P. O. Box 27321  
Memphis, TN 38167  
901-358-3796  
CEO/Manager: Sue Allen  
Full-Time Employees: 4  
Members: 2,070  
Total Assets: \$13,573,520

### **Dyersburg Credit Union**

Year Chartered: 1964  
P. O. Box 506  
Dyersburg, TN 38025  
731-286-0152  
CEO/Manager: Sharon Davidson  
Full-Time Employees: 6  
Members: 2,358  
Total Assets: \$7,669,493

### **EPB Employees Credit Union**

Year Chartered: 1954  
1500 McCallie Avenue  
Chattanooga, TN 37404  
423-629-3413  
CEO/Manager: Nadine Freeman  
Full-Time Employees: 7  
Members: 2,500  
Total Assets: \$26,686,661

### **Eastman Credit Union**

Year Chartered: 1934  
P. O. Box 1989  
Kingsport, TN 37662  
423-229-8200  
CEO/Manager: Olan Jones  
Full-Time Employees: 182  
Members: 56,141  
Total Assets: \$1,239,982,028

### **Educators Credit Union**

Year Chartered: 1962  
P. O. Box 120729  
Nashville, TN 37212  
615-385-1616  
CEO/Manager: Henry Flury  
Full-Time Employees: 92  
Members: 27,858  
Total Assets: \$163,181,151

### **Electric Service Credit Union**

Year Chartered: 1951  
P. O. Box 24117  
Nashville, TN 37202  
615-747-3801  
CEO/Manager: Teri Crowl  
Full-Time Employees: 11  
Members: 3,132  
Total Assets: \$39,493,706

### **Employee Resources Credit Union**

Year Chartered: 1964  
P. O. Box 987  
Lawrenceburg, TN 38464  
931-766-9288  
CEO/Manager: Randall Hardy  
Full-Time Employees: 8  
Members: 3,799  
Total Assets: \$18,500,213

# Appendix VI

## Directory of Tennessee State-Chartered Credit Unions (As Of June 30, 2003)

### **Employees Credit Union**

Year Chartered: 1934  
1415 Murfreesboro Pike, Suite 148  
Nashville, TN 37217  
615-367-7283  
CEO/Manager: Phillip Elam  
Full-Time Employees: 16  
Members: 7,812  
Total Assets: \$25,779,590

### **Employment Security Credit Union**

Year Chartered: 1955  
500 James Robertson Parkway #730  
Nashville, TN 37245  
615-741-2142  
CEO/Manager: Linda Armstrong  
Full-Time Employees: 5  
Members: 2,044  
Total Assets: \$12,799,414

### **EPCO Credit Union**

Year Chartered: 1957  
P. O. Box 1219  
Shelbyville, TN 37162  
931-684-3596  
CEO/Manager: Marvin McBee  
Full-Time Employees: 41  
Members: 11,345  
Total Assets: \$82,689,262

### **First Kingsport Credit Union**

Year Chartered: 1932  
408 Clay Street  
Kingsport, TN 37660  
423-229-9463  
CEO/Manager: Beverly Boling  
Full-Time Employees: 10  
Members: 3,322  
Total Assets: \$17,533,545

### **First South Credit Union**

Year Chartered: 1957  
6471 Stage Road, Suite 200  
Bartlett, TN 38134  
901-380-7400  
CEO/Manager: Craig Esrael  
Full-Time Employees: 109  
Members: 50,893  
Total Assets: \$253,459,566

### **Fulton Credit Union**

Year Chartered: 1934  
100 N. 17th Street  
Knoxville, TN 37921  
865-637-0012  
CEO/Manager: James Willocks  
Full-Time Employees: 26  
Members: 6,958  
Total Assets: \$35,452,709

### **Gallatin Steam Plant Credit Union**

Year Chartered: 1956  
1499 Steam Plant Road  
Gallatin, TN 37066  
615-230-4073  
CEO/Manager: Joseph Rosen  
Full-Time Employees: 1  
Members: 702  
Total Assets: \$4,942,541

### **Gate Gourmet Employees' Credit Union**

Year Chartered: 1969  
5100 Poplar Avenue  
Memphis, TN 38137  
901-766-3600  
CEO/Manager: Robert Smith  
Full-Time Employees: 4  
Members: 4,141  
Total Assets: \$7,206,889

### **Gateway Credit Union**

Year Chartered: 1959  
202 Uffelman Drive  
Clarksville, TN 37043  
931-551-8271  
CEO/Manager: Rose Melton  
Full-Time Employees: 4  
Members: 1,862  
Total Assets: \$6,600,339

### **Golden Circle Credit Union**

Year Chartered: 1974  
378-F Carriage House Drive  
Jackson, TN 38305  
731-512-0966  
CEO/Manager: Kerry Rial  
Full-Time Employees: 2  
Members: 1,844  
Total Assets: \$2,468,992

### **Greater Eastern Credit Union**

Year Chartered: 1952  
2110 Mountcastle Drive  
Johnson City, TN 37604  
423-283-4300  
CEO/Manager: Vickie Taylor  
Full-Time Employees: 10  
Members: 3,511  
Total Assets: \$27,034,855

### **Greeneville City Employees' Credit Union**

Year Chartered: 1965  
129 Charles Street, Suite 3  
Greeneville, TN 37743  
423-639-0907  
CEO/Manager: Ann Hixson  
Full-Time Employees: 2  
Members: 883  
Total Assets: \$4,433,100

### **Greeneville Works Employees Savings Association**

Year Chartered: 1976  
P. O. Box 1790  
Greeneville, TN 37744-1790  
423-787-2419  
CEO/Manager: Doris McAmis  
Full-Time Employees: 1  
Members: 508  
Total Assets: \$2,579,342

### **Happy Valley Credit Union**

Year Chartered: 1933  
P. O. Box 1838  
Elizabethton, TN 37644  
423-542-6078  
CEO/Manager: Billie Bartz  
Full-Time Employees: 11  
Members: 4,791  
Total Assets: \$22,602,750

### **Hardin County Hospital Employees Credit Union**

Year Chartered: 1964  
2006 Wayne Road  
Savannah, TN 38372  
901-925-4954  
CEO/Manager: Betty DeBerry  
Full-Time Employees: 0  
Members: 259  
Total Assets: \$782,801

### **Health Systems Credit Union**

Year Chartered: 1953  
4005 N Broadway  
Knoxville, TN 37917  
865-689-6152  
CEO/Manager: Gail Hawkins  
Full-Time Employees: 4  
Members: 1,849  
Total Assets: \$6,579,544

### **Healthcare Services Credit Union**

Year Chartered: 1952  
975 East Third Street  
Chattanooga, TN 37403  
423-242-4728  
CEO/Manager: Susan Tant  
Full-Time Employees: 8  
Members: 4,078  
Total Assets: \$11,407,745

### **Holley Credit Union**

Year Chartered: 1952  
P. O. Box 398  
Paris, TN 38242  
731-644-9031  
CEO/Manager: Joe Walker  
Full-Time Employees: 10  
Members: 4,853  
Total Assets: \$18,091,542

# Appendix VI

## Directory of Tennessee State-Chartered Credit Unions (As Of June 30, 2003)

### **Holliston Mills Employees' Credit Union**

Year Chartered: 1977  
P. O. Box 478  
Kingsport, TN 37662  
423-357-6141  
CEO/Manager: Brenda Laws  
Full-Time Employees: 1  
Members: 353  
Total Assets: \$2,039,845

### **Holston Valley Credit Union**

Year Chartered: 1979  
216 West Ravine Road  
Kingsport, TN 37660-1823  
423-246-1922  
CEO/Manager: Sam Tuell  
Full-Time Employees: 6  
Members: 3,112  
Total Assets: \$10,814,798

### **Hurd Employees Credit Union**

Year Chartered: 1968  
P. O. Box 2157  
Greeneville, TN 37744  
423-639-4371  
CEO/Manager: Peggy Vaughn  
Full-Time Employees: 1  
Members: 498  
Total Assets: \$2,302,090

### **Illinois Central Employees Credit Union**

Year Chartered: 1928  
2005 Nonconah Boulevard, Suite 7  
Memphis, TN 38132  
901-332-2686  
CEO/Manager: Linda Calaway  
Full-Time Employees: 2  
Members: 1,627  
Total Assets: \$6,335,604

### **Jack Daniel Employees Credit Union**

Year Chartered: 1987  
P. O. Box 199  
Lynchburg, TN 37352  
931-759-6157  
CEO/Manager: Pamela Case  
Full-Time Employees: 3  
Members: 1,048  
Total Assets: \$10,488,327

### **Jackson City & County Employees Credit Union**

Year Chartered: 1961  
263 North Highland Avenue  
Jackson, TN 38301-6030  
901-427-8095  
CEO/Manager: Rhonda Aday  
Full-Time Employees: 4  
Members: 1,756  
Total Assets: \$5,651,009

### **Jefferson County Educators' Credit Union**

Year Chartered: 1974  
P. O. Box 1044  
Dandridge, TN 37725  
865-397-2075  
CEO/Manager: John Brown  
Full-Time Employees: 0  
Members: 402  
Total Assets: \$734,450

### **John Deere Employees Credit Union**

Year Chartered: 1971  
3003 Airways Boulevard, Suite 709  
Memphis, TN 38131  
901-345-5548  
CEO/Manager: Jim Clark  
Full-Time Employees: 2  
Members: 689  
Total Assets: \$5,802,835

### **Johnson City Federal Employees Credit Union**

Year Chartered: 1969  
P. O. Box 833  
Johnson City, TN 37605-0833  
423-298-8682  
CEO/Manager: Wayne Pickle  
Full-Time Employees: 0  
Members: 106  
Total Assets: \$374,701

### **Johnsonville TVA Employees Credit Union**

Year Chartered: 1952  
209 Highway 641 North  
Camden, TN 38320  
731-584-7238  
CEO/Manager: Carolyn Jones  
Full-Time Employees: 21  
Members: 6,578  
Total Assets: \$42,987,619

### **Kimberly Clark Credit Union**

Year Chartered: 1971  
1520 N Second Street  
Memphis, TN 38107  
901-521-4646  
CEO/Manager: Sara Broxterman  
Full-Time Employees: 24  
Members: 9,752  
Total Assets: \$69,432,420

### **Kingsport Press Credit Union**

Year Chartered: 1930  
528 W Center Street  
Kingsport, TN 37660  
423-378-9292  
CEO/Manager: Deborah Salyer  
Full-Time Employees: 20  
Members: 7,277  
Total Assets: \$41,065,501

### **Kingston TVA Employees Credit Union**

Year Chartered: 1954  
714 Swan Pond Road  
Harriman, TN 37748  
865-717-2188  
CEO/Manager: June Barlow  
Full-Time Employees: 1  
Members: 842  
Total Assets: \$2,648,796

### **Knox County Employees Credit Union**

Year Chartered: 1947  
400 Main Avenue, Room 355  
Knoxville, TN 37902  
865-215-2364  
CEO/Manager: Teresa Brawley  
Full-Time Employees: 4  
Members: 1,876  
Total Assets: \$7,190,237

### **Knoxville News-Sentinel Employees Credit Union**

Year Chartered: 1935  
P. O. Box 59038  
Knoxville, TN 37950  
865-342-6930  
CEO/Manager: Mary Anne Cooper  
Full-Time Employees: 3  
Members: 813  
Total Assets: \$7,894,785

### **Knoxville Post Office Credit Union**

Year Chartered: 1924  
P. O. Box 52990  
Knoxville, TN 37950  
865-688-2424  
CEO/Manager: Linda Childs  
Full-Time Employees: 24  
Members: 6,935  
Total Assets: \$34,934,453

# Appendix VI

## Directory of Tennessee State-Chartered Credit Unions (As Of June 30, 2003)

### **Knoxville TVA Employees Credit Union**

Year Chartered: 1934  
301 Wall Avenue  
Knoxville, TN 37901  
865-544-5400  
CEO/Manager: Bob Stone  
Full-Time Employees: 162  
Members: 68,829  
Total Assets: \$398,113,084

### **L.M.P.C.O. Employees Credit Association**

Year Chartered: 1963  
119 Hamlett Street  
Lexington, TN 38351  
731-968-8746  
CEO/Manager: Rhonda Sanders  
Full-Time Employees: 1  
Members: 1,213  
Total Assets: \$1,316,206

### **Lakeside Employees Credit Union**

Year Chartered: 1965  
1008 Broadway Avenue  
New Johnsonville, TN 37134  
931-535-3750  
CEO/Manager: Darry Cole  
Full-Time Employees: 14  
Members: 3,769  
Total Assets: \$36,845,149

### **Langston Bag Company Employees Savings Association**

Year Chartered: 1964  
P. O. Box 60  
Memphis, TN 38101  
901-774-4440  
CEO/Manager: Mike Bandy  
Full-Time Employees: 0  
Members: 63  
Total Assets: \$41,922

### **Leaders Credit Union**

Year Chartered: 1957  
P. O. Box 3548  
Jackson, TN 38303-3548  
731-664-1784  
CEO/Manager: Todd Swims  
Full-Time Employees: 30  
Members: 13,560  
Total Assets: \$61,285,024

### **League Central Credit Union**

Year Chartered: 1957  
P. O. Box 3658  
Chattanooga, TN 37404  
423-629-2551  
CEO/Manager: William Cooper  
Full-Time Employees: 21  
Members: 12,791  
Total Assets: \$28,210,191

### **LifeWay Credit Union**

Year Chartered: 1954  
One LifeWay Plaza  
Nashville, TN 37234-0193  
615-251-2089  
CEO/Manager: Wade Stapleton  
Full-Time Employees: 8  
Members: 3,026  
Total Assets: \$29,869,355

### **Lowland Credit Union**

Year Chartered: 1953  
1045 South Cumberland Street  
Morristown, TN 37813  
423-581-8345  
CEO/Manager: Mark Creech  
Full-Time Employees: 26  
Members: 10,991  
Total Assets: \$55,177,413

### **M.P.D. Employees Credit Union**

Year Chartered: 1966  
306 Gay Street, Suite 105  
Nashville, TN 37201  
615-242-5461  
CEO/Manager: Nancy Holt  
Full-Time Employees: 5  
Members: 2,156  
Total Assets: \$10,413,146

### **McKee Baking Company Employees Credit Union**

Year Chartered: 1963  
P. O. Box 3301  
Collegedale, TN 37315  
423-396-3141  
CEO/Manager: Lisa Hooper  
Full-Time Employees: 7  
Members: 4,916  
Total Assets: \$12,790,644

### **McNairy County Educational Credit Union**

Year Chartered: 1969  
P. O. Box 412  
Selmer, TN 38375  
731-645-3267  
CEO/Manager: Ben Kiser  
Full-Time Employees: 0  
Members: 268  
Total Assets: \$296,392

### **Maryville Municipal Credit Union**

Year Chartered: 1971  
321 W Broadway Avenue  
Maryville, TN 37801  
865-984-4072  
CEO/Manager: Tom Boyle  
Full-Time Employees: 2  
Members: 1,196  
Total Assets: \$7,791,855

### **Maury Educators Community Credit Union**

Year Chartered: 1974  
5021 B-1 Trotwood Avenue  
Columbia, TN 38401  
931-388-3689  
CEO/Manager: Ronald Hines  
Full-Time Employees: 5  
Members: 1,866  
Total Assets: \$8,421,985

### **Maury Progress Credit Union**

Year Chartered: 1937  
P. O. Box 1879  
Columbia, TN 38401  
931-381-3196  
CEO/Manager: Patricia Ingram  
Full-Time Employees: 4  
Members: 1,455  
Total Assets: \$6,500,429

### **Medical Center Credit Union**

Year Chartered: 1953  
408 N State of Franklin Road  
Johnson City, TN 37604  
423-431-6361  
CEO/Manager: Parolea York  
Full-Time Employees: 9  
Members: 3,314  
Total Assets: \$8,550,990

### **MedEd Credit Union**

Year Chartered: 1965  
205 Hayes Street  
Crossville, TN 38555  
931-456-6599  
CEO/Manager: Billie Pratt  
Full-Time Employees: 8  
Members: 2,016  
Total Assets: \$10,617,818

### **Memorial Credit Union**

Year Chartered: 1959  
1317 Hickory Valley Road  
Chattanooga, TN 37421  
423-855-1770  
CEO/Manager: Carol Underwood  
Full-Time Employees: 8  
Members: 3,562  
Total Assets: \$8,650,445

### **Memphis Area Teachers' Credit Union**

Year Chartered: 1957  
7845 Highway 64  
Memphis, TN 38133  
901-266-2700  
CEO/Manager: Ray Algee  
Full-Time Employees: 191  
Members: 62,905  
Total Assets: \$548,552,868



# Appendix VI

## Directory of Tennessee State-Chartered Credit Unions (As Of June 30, 2003)

### **Memphis Publishing Company Employees' Credit Union**

Year Chartered: 1940  
495 Union Avenue  
Memphis, TN 38103  
901-529-2760  
CEO/Manager: Robert Arick  
Full-Time Employees: 4  
Members: 1,415  
Total Assets: \$10,769,456

### **Metro Employees Credit Union**

Year Chartered: 1961  
89 Hermitage Avenue  
Nashville, TN 37210  
615-862-6697  
CEO/Manager: Jeffery Gray  
Full-Time Employees: 6  
Members: 3,411  
Total Assets: \$13,576,627

### **Metropolitan Teachers Credit Union**

Year Chartered: 1957  
1605 Jefferson Street  
Nashville, TN 37208  
615-321-4622  
CEO/Manager: Rebecca Jennings  
Full-Time Employees: 0  
Members: 898  
Total Assets: \$2,247,487

### **N.G.H. Credit Union**

Year Chartered: 1959  
1818 Albion Street  
Nashville, TN 37208  
615-341-4455  
CEO/Manager: Julie Shaub  
Full-Time Employees: 7  
Members: 2,200  
Total Assets: \$7,443,420

### **N M H Credit Union**

Year Chartered: 1966  
3443 Dickerson Pike #G-10  
Nashville, TN 37207  
615-345-3471  
CEO/Manager: Linda Tanner  
Full-Time Employees: 5  
Members: 2,295  
Total Assets: \$13,388,588

### **Nashville Firemen's Credit Union**

Year Chartered: 1932  
P. O. Box 60567  
Nashville, TN 37206  
615-226-3473  
CEO/Manager: Bettie McCaskill  
Full-Time Employees: 5  
Members: 1,718  
Total Assets: \$10,536,979

### **Nashville Post Office Credit Union**

Year Chartered: 1925  
P. O. Box 291233  
Nashville, TN 37229  
615-871-4221  
CEO/Manager: Sharon Rader  
Full-Time Employees: 17  
Members: 4,984  
Total Assets: \$70,899,288

### **New South Credit Union**

Year Chartered: 1952  
3261 N Mall Road  
Knoxville, TN 37924  
865-523-0757  
CEO/Manager: Richard Schulz  
Full-Time Employees: 5  
Members: 1,947  
Total Assets: \$16,284,064

### **Newspaper and Printers Credit Union**

Year Chartered: 1932  
1100 Broadway  
Nashville, TN 37203  
615-259-8310  
CEO/Manager: Demetra O'Neal  
Full-Time Employees: 1  
Members: 723  
Total Assets: \$2,561,867

### **Northeast Community Credit Union**

Year Chartered: 1952  
980 West E Street  
Elizabethton, TN 37643  
423-547-3820  
CEO/Manager: Kathy Campbell  
Full-Time Employees: 17  
Members: 5,944  
Total Assets: \$34,928,522

### **O.M.C. Employees' Credit Union**

Year Chartered: 1969  
P. O. Box 248  
Charleston, TN 37310  
423-336-4331  
CEO/Manager: Virginia Gregg  
Full-Time Employees: 2  
Members: 1,832  
Total Assets: \$25,226,223

### **Olan Mills Savings Association**

Year Chartered: 1959  
P. O. Box 23456  
Chattanooga, TN 37422  
423-629-8440  
CEO/Manager: Phyllis Potter  
Full-Time Employees: 2  
Members: 920  
Total Assets: \$5,678,579

### **Old Hickory Credit Union**

Year Chartered: 1934  
P. O. Box 431  
Old Hickory, TN 37138  
615-847-4043  
CEO/Manager: Bonnette Dawson  
Full-Time Employees: 92  
Members: 25,969  
Total Assets: \$136,265,423

### **Olivet Baptist Credit Union**

Year Chartered: 1978  
3084 Southern Avenue  
Memphis, TN 38111  
901-454-7777  
CEO/Manager: Angels McGowan  
Full-Time Employees: 0  
Members: 644  
Total Assets: \$209,980

### **P.I.A.S. Credit Union**

Year Chartered: 1961  
305 Plus Park Boulevard  
Nashville, TN 37217  
615-360-9951  
CEO/Manager: Brian Dever  
Full-Time Employees: 3  
Members: 3,026  
Total Assets: \$6,073,127

### **Parcel Employees Credit Union**

Year Chartered: 1980  
3385 Airways Boulevard, Suite 133  
Memphis, TN 38116  
901-396-2132  
CEO/Manager: Sarah Langston  
Full-Time Employees: 4  
Members: 2,638  
Total Assets: \$8,463,578

### **Parkridge Credit Union**

Year Chartered: 1972  
P. O. Box 3146  
Chattanooga, TN 37404  
423-493-1758  
CEO/Manager: Jean Eason  
Full-Time Employees: 3  
Members: 876  
Total Assets: \$3,497,500

### **Pathway Credit Union**

Year Chartered: 1967  
P. O. Box 2035  
Cleveland, TN 37320  
423-479-2168  
CEO/Manager: Helen Smith  
Full-Time Employees: 2  
Members: 1,169  
Total Assets: \$3,793,914

### **Peoples Choice Credit Union**

Year Chartered: 1971  
1500 South First Street  
Union City, TN 38261  
731-885-4808  
CEO/Manager: Robert Ransom  
Full-Time Employees: 7  
Members: 3,767  
Total Assets: \$17,839,956

### **Porter-Cable Employees Credit Union**

Year Chartered: 1971  
P. O. Box 2468  
Jackson, TN 38302  
731-660-9354  
CEO/Manager: Barbara Bunch  
Full-Time Employees: 2  
Members: 785  
Total Assets: \$1,746,205

# Appendix VI

## Directory of Tennessee State-Chartered Credit Unions (As Of June 30, 2003)

### **Postal Employees Credit Union**

Year Chartered: 1927  
584 South Third Street  
Memphis, TN 38126  
901-526-5011  
CEO/Manager: Elaine Turner  
Full-Time Employees: 14  
Members: 3,692  
Total Assets: \$21,951,102

### **Postal Employees Credit Union of Jackson**

Year Chartered: 1929  
57 Directors Row  
Jackson, TN 38305  
731-668-1155  
CEO/Manager: Patsy Brockenbrough  
Full-Time Employees: 10  
Members: 3,251  
Total Assets: \$23,396,861

### **Rohm & Haas Employees Credit Union**

Year Chartered: 1949  
P. O. Box 591  
Knoxville, TN 37901  
865-637-3668  
CEO/Manager: William Jenkins  
Full-Time Employees: 0  
Members: 1,134  
Total Assets: \$15,242,428

### **St. Thomas Hospital Employees Credit Union**

Year Chartered: 1959  
111 Bosley Springs Road, Suite 101  
Nashville, TN 37205  
615-222-6721  
CEO/Manager: Mary Coleman  
Full-Time Employees: 6  
Members: 2,725  
Total Assets: \$14,410,366

### **Signal Cement Workers Credit Union**

Year Chartered: 1965  
1201 Suck Creek Road  
Chattanooga, TN 37405  
423-886-0800  
CEO/Manager: Sandy Trehwhitt  
Full-Time Employees: 0  
Members: 473  
Total Assets: \$2,400,500

### **Smith & Nephew Employees Credit Union**

Year Chartered: 1968  
1450 E Brooks Road  
Memphis, TN 38116  
901-399-6473  
CEO/Manager: Mattie Little  
Full-Time Employees: 4  
Members: 1,507  
Total Assets: \$9,009,548

### **Southeast Financial Credit Union**

Year Chartered: 1936  
444 James Robertson Parkway  
Nashville, TN 37203  
615-743-3621  
CEO/Manager: Scarlet Sneed  
Full-Time Employees: 94  
Members: 28,491  
Total Assets: \$195,620,793

### **Southern Credit Union**

Year Chartered: 1933  
P. O. Box 3490  
Chattanooga, TN 37404  
423-629-2578  
CEO/Manager: John Harper  
Full-Time Employees: 8  
Members: 3,709  
Total Assets: \$17,407,112

### **Sullivan County Employees Credit Union**

Year Chartered: 1971  
3306 Highway 126  
Blountville, TN 37617  
423-279-2840  
CEO/Manager: Linda Evans  
Full-Time Employees: 6  
Members: 2,800  
Total Assets: \$17,176,379

### **Tennessee Department of Safety Credit Union**

Year Chartered: 1971  
1150 Foster Avenue  
Nashville, TN 37349  
615-251-5145  
CEO/Manager: Cathy Akins  
Full-Time Employees: 2  
Members: 1,571  
Total Assets: \$6,476,694

### **Tennessee Paper Mills Employees Credit Union**

Year Chartered: 1957  
1740 Dayton Boulevard  
Chattanooga, TN 37405  
423-267-7609  
CEO/Manager: Judy Maynor  
Full-Time Employees: 1  
Members: 381  
Total Assets: \$4,041,954

### **Tennessee Teachers Credit Union**

Year Chartered: 1950  
P. O. Box 22881  
Nashville, TN 37202  
615-244-1910  
CEO/Manager: Betty Hobbs  
Full-Time Employees: 86  
Members: 28,400  
Total Assets: \$203,671,878

### **Times Free Press Credit Union**

Year Chartered: 1966  
400 East 11<sup>th</sup> Street  
Chattanooga, TN 37403  
423-757-6259  
CEO/Manager: Janice Kelley  
Full-Time Employees: 1  
Members: 470  
Total Assets: \$2,269,597

### **Top-O-Ring Employees Credit Union**

Year Chartered: 1965  
104 Hartmann Drive  
Lebanon, TN 37087  
615-443-8815  
CEO/Manager: Margaret Tomlinson  
Full-Time Employees: 0  
Members: 294  
Total Assets: \$961,461

### **U.S. Couthouse Credit Union**

Year Chartered: 1968  
P. O. Box 25047  
Nashville, TN 37202  
615-256-8712  
CEO/Manager: Cheryl Thompson  
Full-Time Employees: 35  
Members: 13,616  
Total Assets: \$85,038,178

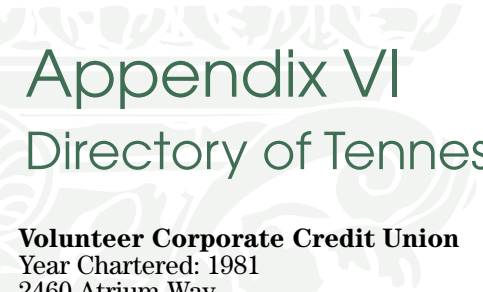
### **U.S.T.C. Employees Credit Union**

Year Chartered: 1973  
800 Harrison Street  
Nashville, TN 37203  
615-880-4799  
CEO/Manager: Jewell Kirby  
Full-Time Employees: 0  
Members: 283  
Total Assets: \$796,387

### **Vanderbilt University Employees Credit Union**

Year Chartered: 1959  
P. O. Box 128426  
Nashville, TN 37212  
615-936-0300  
CEO/Manager: Michael Bittle  
Full-Time Employees: 6  
Members: 5,477  
Total Assets: \$15,688,652





# Appendix VI

## Directory of Tennessee State-Chartered Credit Unions (As Of June 30, 2003)

**Volunteer Corporate Credit Union**

Year Chartered: 1981  
2460 Atrium Way  
Nashville, TN 37214  
615-232-7900  
CEO/Manager: Bruce Fahnestock  
Full-Time Employees: 43  
Members: 245  
Total Assets: \$1,277,536,198

**WCG Employees Credit Union**

Year Chartered: 1962  
P. O. Box 284  
Martin, TN 38237  
731-587-9521  
CEO/Manager: Thomas Brewer  
Full-Time Employees: 0  
Members: 279  
Total Assets: \$722,583

**Willis Credit Union**

Year Chartered: 1967  
26 Century Boulevard, Suite 101  
Nashville, TN 37214  
615-872-6380  
CEO/Manager: Charles Cooper  
Full-Time Employees: 3  
Members: 3,502  
Total Assets: \$9,830,105

**YAT Employees Credit Union**

Year Chartered: 1954  
100 Yale Avenue  
Lenoir City, TN 37771  
865-986-7511  
CEO/Manager: Lagonda Norwood  
Full-Time Employees: 2  
Members: 979  
Total Assets: \$5,648,603







Tennessee Department  
of Financial Institutions  
511 Union Street, Fourth Floor  
Nashville TN 37219  
[www.state.tn.us/financialinst/](http://www.state.tn.us/financialinst/)